

BRISTOL CORE STRATEGY OVERALL HOUSING PROVISION

Bristol City Council Revised Position Paper, December 2010

(Corrected 11 January 2011)

CORRECTION:

Appendix 1: New table 4.5.1: Figure attached to "Supply from identified sites" should read "6,853" rather than "10,453" as previously listed.

1. Purpose of Paper

1.1 This paper addresses the approach to the level of housing provision to be included in the Bristol Development Framework Core Strategy. It has been produced in the light of changes to national planning policy and follows the discussion at the examination hearing session on 7 September 2010 where these issues were discussed. The paper addresses the matters raised in the Inspector's note of 8 September 2010 and has been revised to address the matters raised in the Inspector's note of 18th November 2010. A statement indicating how the Council has responded to those matters is included at Appendix 6.

1.2 The paper supports the Council's revised proposed changes to Core Strategy policy BCS5 which are set out in Appendix 2.

2. Changing National and Regional Policy Context

2.1 Preparation of the Core Strategy was commenced in the context of an emerging Regional Spatial Strategy (RSS). The draft RSS indicated that 28,000 homes should be built in Bristol from 2006 to 2026, with 1,500 specifically identified as being within the Green Belt in the southwest of the city with the remaining 26,500 within the built up area.

2.2 The then emerging RSS was subject to an examination in public. The examination panel recommended to the Secretary of State that the level of homes for Bristol should be increased to a total of 30,000 homes, with 1,500 in the Green Belt in the southwest of the city with 28,500 within the built up area.

2.3 In July 2008 the Secretary of State proposed changes to the emerging RSS which would have raised the level of homes to be delivered in Bristol to 36,500, with 33,500 within the built up area and a total of 3,000 in the Green Belt in the southwest and southeast of the city.

2.4 In the context of the then emerging RSS the Bristol Core Strategy Publication version November 2009 proposed a minimum housing level of 30,000 homes with contingencies for the delivery of more in the event that the RSS was eventually approved in line with the Secretary of State's proposed changes.

2.5 Following the general election in May 2010 the new Government revoked existing Regional Spatial Strategies and the preparation of the emerging Regional Spatial Strategy for South West England was abandoned. The revocation was subsequently quashed by the High Court and the existing Regional Strategies were reinstated as part of the development plan. However, work on the emerging RSS for the South West had already been abandoned. In December 2010 the Localism Bill was published and this confirmed that the government intended to abolish the system of regional strategies.

3. Assessing an appropriate level of housing for Bristol

3.1 Pending the introduction of the Government's new National Planning Framework, PPS3 has been retained. Paragraphs 32 to 35 set out the approach to assessing an appropriate level of housing. However, the approach in the PPS was based on a regional structure and the section is, therefore, not directly applicable to the determination of an appropriate level of housing by local planning authorities in the emerging national policy context. However, paragraph 33 refers to a number of factors to be taken into account in determining housing provision which continue to have relevance. These are, in summary:

- Evidence of current and future levels of need and demand for housing and affordability levels based on:
 - Local and sub-regional evidence of need and demand¹, set out in SHMAs and other relevant market information such as long term house prices
 - The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts
- Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments
- The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply
- Sustainability Appraisal
- An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required

Some of the elements of paragraphs 32 to 35 are no longer readily applicable with the shift from regional to local determination of housing levels. These are:

- *Advice from National Housing and Planning Advice Unit on the impact of proposals for affordability in the region (referred to in paragraph 33)* - this relates to the region as a whole and the Council considers this element of PPS3 is no longer applicable to local determination of the appropriate level of housing. The NHPAU was recently closed by the Government and its advice on the impact of proposed housing levels in Bristol for affordability in the region cannot be sought.
- *Paragraphs 34 and 35* – these both relate to regional spatial strategies and are, therefore, no longer relevant in the context of an out of date Regional Strategy (RPG10) and the abandonment of the emerging RSS for the South West.

The following paragraphs explore each of the relevant matters referred to in PPS3 paragraph 33 as they apply to Bristol:

- **Evidence of current and future levels of need and demand for housing and affordability levels**
 - **Need and Affordability**

¹ PPS3 Annex B defines housing demand as the quantity of housing that households are willing and able to buy or rent..

3.2 The council’s evidence base for housing affordability² and housing need³ is set out in the West of England Strategic Housing Market Assessment (SHMA) 2009. The assessment draws on a suite of integrated models which aim to predict the operation of the housing market, demographic patterns and existing and future affordability and housing need.

3.3 Key inputs to the modelling include economic forecasts, demographics, housing supply, incomes, house prices, private sector rents, social relets and affordable intermediate resales. Two of the most important inputs to the modelling are economic growth and household growth. The baseline value for the longer term economic growth rate for the region (after 2011), measured as Gross Value Added (GVA), was assumed to be 2.8%. In terms of household growth inputs, itself a product of the modelling, these are comparable with the DCLG Revised 2004-based household projections.

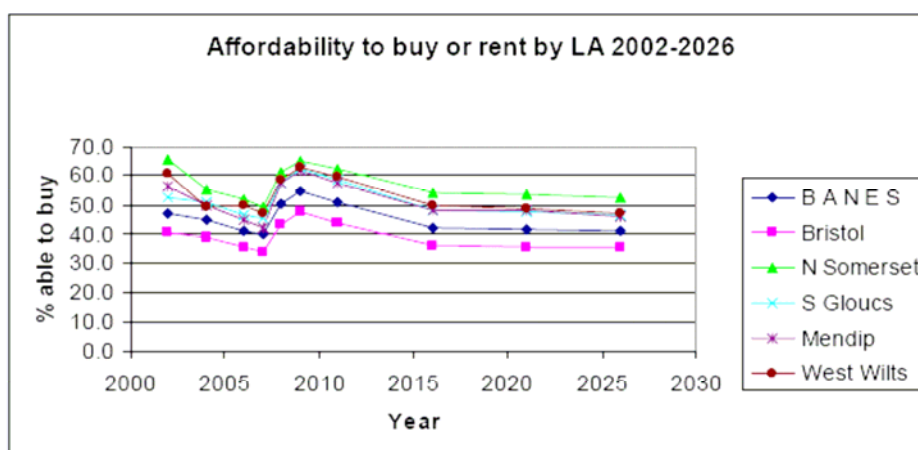
Affordability

3.4 Chapters 6 and 7 of the SHMA set out the process for calculating affordability and provide current and future estimates of affordability based on modelling. Affordability is measured by the proportions of key groups of households who can afford to rent or buy in the open market. This output forms part of the housing need calculation.

3.5 Tables 6.5 and 6.6 in the SHMA provide an historic picture of affordability across the sub-region. For Bristol it is clear that affordability has worsened in recent years dropping to a low point in 2007 where only 34% of younger households (under 35) were able to buy or rent in the market.

3.6 Figure 7.3 in the SHMA presents modelled output for affordability up to 2026 and is reproduced at Fig. 1 below. The modelling shows that affordability will improve in the short-term (to 2011) following the property price correction induced by the credit crunch. After that affordability is predicted to deteriorate up to 2016 and then maintain a stable position to 2026. The position in 2026 is shown to be virtually the same as in 2006. The average over the whole period 2006-2026 is however, better than the spot picture in 2006.

Figure. 1



Source: LA-level affordability model projections linked to higher level market forecast; % of under-35 households able to buy in the market, adjusted for wealth, or rent privately if that is more affordable.

² A measure of whether housing may be afforded by certain groups of households.

³ The quantity of housing required for households who are unable to access suitable housing without financial assistance – PPS3 Annex B.

3.7 Monitoring undertaken following publication of the SHMA⁴ has shown that despite falling house prices affordability across the Housing Market Area has not improved. This is largely due to the emergence of a more restricted lending market as a result of the economic downturn.

3.8 The SHMA also models the effects of different housing supply scenarios on affordability. It is clear that increased supply reduces house prices and improves affordability. Improved affordability in turn reduces need. However, the SHMA does emphasise that supply would have to be increased across the country to achieve these positive effects. Increasing supply across the Housing Market Area alone would have much less impact and very little impact if only applied within a single local authority.

Affordable housing need

3.9 Chapter 4 of the SHMA works through the methodology for calculating housing need (following SHMA Practice Guidance⁵) and provides estimated average figures for both Bristol and the wider Housing Market Area. The basic calculation is set out at Appendix 1.

3.10 Table 4.11 in chapter 4 provides the forecast annual average net need figure for Bristol and the other Housing Market Area authorities from 2009 to 2021. A figure for the entire Housing Market Area is also provided. This table is reproduced at Table 1. below.

Table 1. Annual total housing requirements of households in need

Average 2009 - 2021	B&NES	Bristol	North Som	South Glos	Mendip	West Wilts	WoE
1) Total annual net need social rented	786	1,176	735	727	271	317	4,014
2) Total annual net need intermediate	61	351	169	176	54	69	879
3) Total annual net need	847	1,526	904	903	324	386	4,893
4) % split social rented/intermediate	93/7	77/23	81/19	80/20	83/17	82/18	82/18

3.11 The average annual net need for Bristol from 2009 is estimated to be 1,526 units, representing some 30% of the total annual need of the Housing Market Area.

Implications for policy

3.12 The SHMA acknowledges that the level of housing need identified cannot be realistically met with the levels of new housing provision planned by any of the Housing Market Area authorities. The SHMA recommended a review of delivery mechanisms for affordable housing to achieve the maximum level possible. Such a review might include:

⁴ West of England Strategic Housing Market Assessment Monitoring Report – May 2010

⁵ Strategic Housing Market Assessments Practice Guidance – March 2007 – Department for Communities and Local Government

- Reviewing affordable housing that is delivered through S106 agreements by examining site size thresholds and percentages sought. This may entail seeking an off-site contribution to affordable housing from all housing developments, whatever the site size;
- Reviewing the use of public subsidy;
- Ensuring that zones within local authorities with lower levels of need or even other local authorities with lower levels of need still deliver significant levels of affordable housing;
- Finding ways to meet needs through existing stock;
- Recognising that the planning system cannot be the only source of supply of new affordable housing.

3.13 The SHMA also acknowledges the limitations of policy in securing affordable housing, in particular:

- The time taken for new policies to take effect. The delivery of affordable housing will partly rely on existing planning permissions which have a previously defined quota of affordable housing (in most cases a lower percentage level than emerging policy);
- The number of sites that might come forward below the threshold where no affordable housing could be sought;
- Economic viability constraints.

3.14 The SHMA shows that even if affordable housing delivery is optimised there will be an upper practical limit to the level of affordable housing that can be delivered, even in the most pressurised areas. This upper limit will largely be determined by the economic viability of developing individual sites.

○ **Household projections and economic growth forecasts**

3.15 In determining the level of local housing provision PPS3 indicates that the Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts should be taken into account.

2008-based household projections

3.16 The Government's latest published household projections for Bristol are provided by the Department for Communities and Local Government (DCLG). The DCLG published their latest set of household projections on 26th November 2010. Table 2 shows a comparison with previous sets of DCLG/ODPM projections which are based on the corresponding demographic trend led Office for National Statistics (ONS) population projections. The 2008-based projections suggest an increase of 72,000 (40.7%) households over the plan period 2006 to 2026. These projections superseded the 2006-based sub-regional household projections (published in March 2009) which suggested an increase of 63,000 (35.4%) households over the plan period 2006 to 2026.

Table 2. DCLG/ODPM Household Projections: Bristol household change 2006-26

	2006-26	%
2008-based	72,000	40.7
2006-based	63,000	35.4
Revised 2004-based	42,000	24.0
2003-based	29,000	17.0

Source: Department for Communities and Local Government - Household estimates and projections. Crown Copyright.

3.17 The household projections are highly dependent on the level and structure of population generated by the population projections. The projected level of household growth has increased substantially as population projections have also increased.

3.18 The 2008-based household projections and the corresponding ONS population projections are considered to be extremely high, largely because of the assumed high levels of projected international in-migration. The population projections are discussed below.

2008-based population projections

3.18 The Office for National Statistics have produced a series of demographically-led population projections which have increased substantially with each new set of projections (see Table 4. below).

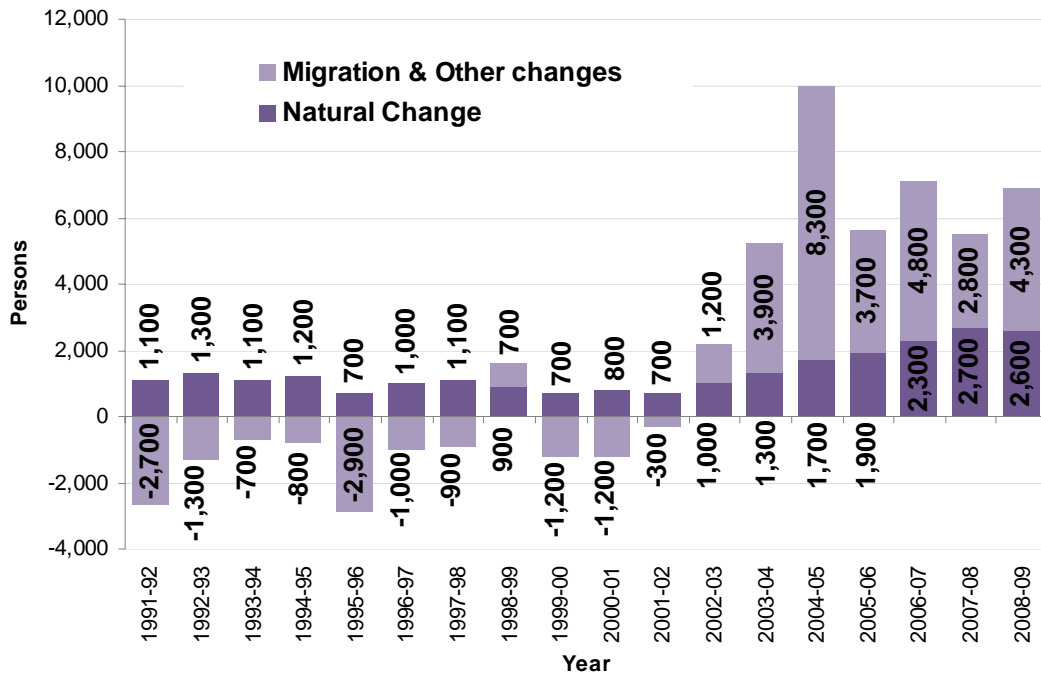
Table 4. ONS Sub-national Population Projections: Bristol population change 2006-26

	2006-26	%
2008-based	134,500	32.5
2006-based	109,300	26.6
Revised 2004-based	53,900	13.3
2003-based	29,500	7.5

Sources: Office for National Statistics – Mid Year Population Estimates; Subnational Population Projections (SNPP) for England. Crown Copyright.

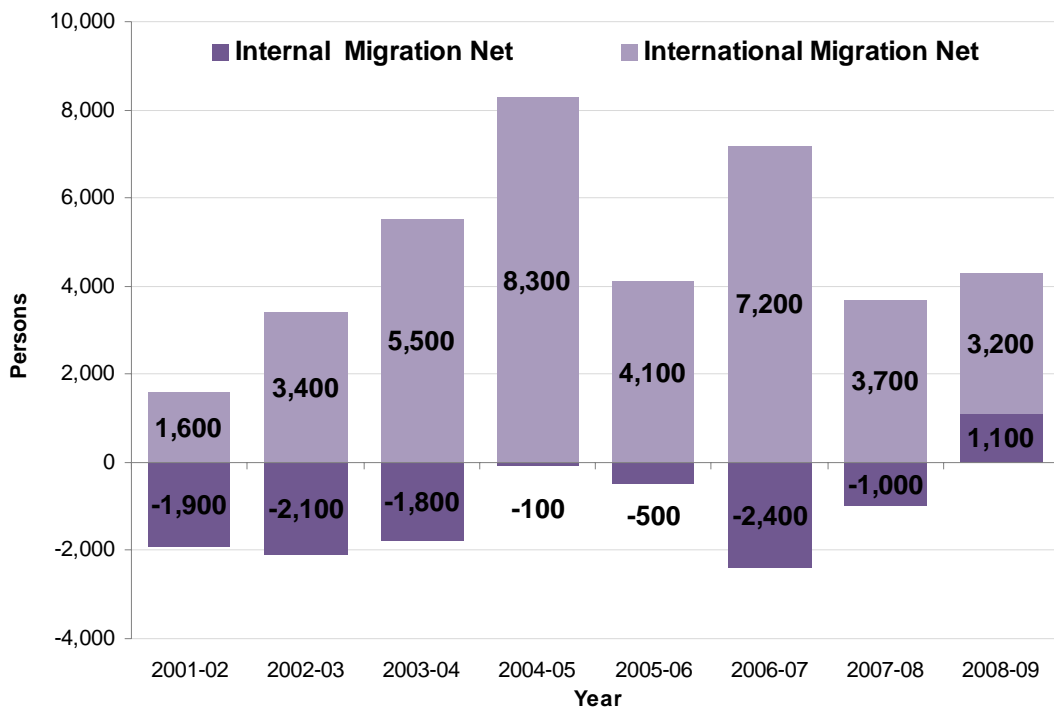
3.20 The 2008-based population projections, which underpin the 2008-based household projections, are considered to be extremely high, suggesting an increase in Bristol's population by 134,500 (32.5%) between 2006 and 2026. The projections are largely based on the demographic trends of the preceding five-year period 2003/04 to 2007/08 and take no account of dwelling supply. The components of population change in recent years are shown in Figures 2 and 3 below.

Figure 2. Components of population change in Bristol 1991 to 2009



Source: Office for National Statistics – Mid Year Population Estimates. Crown Copyright.

Figure 3. Components of migration change in Bristol 2001 to 2009



Source: Office for National Statistics – Mid Year Population Estimates. Crown Copyright.

3.21 These latest ONS projections were based on recent demographic trends generated by a unique set of circumstance which appear unlikely to be repeated within the plan period, these include: a high point in the economic cycle; high levels of international in-migration; high levels of dwelling completions; and increasing numbers of students studying in the area.

3.22 The ONS 2008-based projections are based on very high assumptions about international in-migration. The future levels of international migration are likely to be influenced by the a number of factors including:

- Lower economic growth;
- Tightening Government migration policy;
- Changing flows from areas such as the Accession (A8) countries and Somalia, which have been a significant proportion of the surge in migration since 2001; and
- Reduced Government funding for higher education.

3.23 The components of change from the ONS 2008-based population projections are set out in Table 4 below. The high level of international in-migration has implications for projected total population change, the age structure of the population and consequently the level of births.

Table 4. Main components of population change in Bristol 2006-26: ONS 2008-based population projections

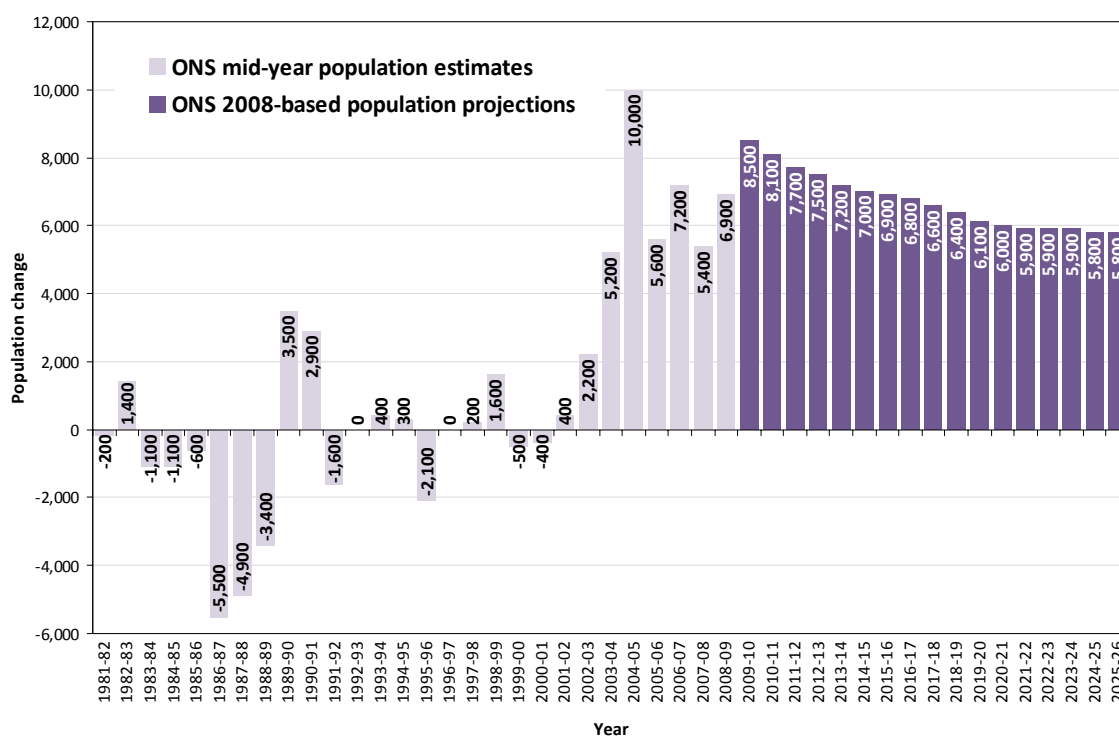
	Total change 2006 to 2026	Annual average change 2006 to 2026
Natural Change	80,100	4,000
Internal and Cross Border Migration Net	-76,000	-3,800
International Migration Net	129,800	6,500
Total Change	134,500	6,700

Sources: Office for National Statistics – Mid Year Population Estimates; Subnational Population Projections (SNPP) for England. Crown Copyright.

Note: figures may not sum due to rounding.

3.24 Longer term population trends within Bristol have been volatile, showing cycles of decline and stability and recent growth in the population is unprecedented in recent decades. This volatility in part is due to large gross migration flows in and out of the area generating highly variable net changes in migration. The ONS projections only use a short-term trend, the preceding five-year period, and therefore do not represent the longer term migration trends. Figure 4 below contrasts the volatile nature of Bristol’s annual population change in the past with the continuous high levels of change suggested by the 2008-based ONS population projections.

Figure 4. Annual population change in Bristol – ONS population estimates and projections



Sources: Office for National Statistics – Mid Year Population Estimates; Subnational Population Projections (SNPP) for England. Crown Copyright.

Economic growth forecasts - labour demand

3.25 Recent employment growth scenarios by Oxford Economics (June 2010) commissioned by the South West Regional Development Agency and South West Councils provide a picture of future labour demand (jobs) in Bristol which takes account of the financial crisis and recession in recent years. There are considerable uncertainties over the future economic situation which is indicated by the wide range of the potential growth from the scenarios.

3.26 Three potential scenarios have been produced by Oxford Economics:

- A baseline scenario consistent with Oxford Economics' central forecast for the UK, which envisages trend growth averaging around 2.3% a year.
- A stronger trend growth scenario more in line with pre-recession performance, consistent with trend growth for the UK of 2.75%.
- A weaker trend growth scenario based on lower immigration and lower productivity growth, showing trend output growth for the UK of 1.5% over the next decade and 1.3% over the following decade.

3.27 Cambridge Econometrics economic scenarios (November 2005) provided data down to Travel to Work Areas level and were used to support the development of the Regional Spatial Strategy. These same scenarios were re-provided using local authority geographies to support the RSS Employment Land Provision: Spatial Implications study produced by Roger Tym and Partners (August 2008). Cambridge Econometrics provided two employment growth scenarios, based on regional GVA (output) growth of 2.8% and 3.2% per year respectively 2006 to 2026.

3.28 Table 5 below shows that the latest Oxford Economics scenarios forecast an increase in jobs in Bristol of between 13,295 and 37,075 between 2006 and 2026, with a central baseline scenario increase of 21,863. This range compares with the 35,600 to 42,500 increase in jobs forecast by Cambridge Econometrics.

Table 5. Comparison of employment change scenarios for the West of England

Oxford Economics Weak 1.5-1.3% GVA

	2006	2026		2006-26	%
B&NES	92,200	95,300		3,000	3.3
BRISTOL	250,000	263,300		13,300	5.3
NSOM	84,000	97,400		13,400	16.0
SGLOS	148,200	172,100		23,900	16.1
WoE	574,500	628,100		53,600	9.3

Oxford Economics Central 2.3% GVA

	2006	2026		2006-26	%
B&NES	92,200	98,100		5,900	6.4
BRISTOL	250,000	271,900		21,900	8.8
NSOM	84,000	101,000		17,000	20.2
SGLOS	148,200	177,200		28,900	19.5
WoE	574,500	648,300		73,700	12.8

Oxford Economics Strong 2.75% GVA

	2006	2026		2006-26	%
B&NES	92,200	103,500		11,300	12.3
BRISTOL	250,000	287,100		37,100	14.8
NSOM	84,000	105,700		21,700	25.8
SGLOS	148,200	186,800		38,600	26.0
WoE	574,500	683,200		108,600	18.9

Cambridge Econometrics 2.8% GVA

	2006	2026		2006-26	%
B&NES	102,100	119,100		17,000	16.7
BRISTOL	283,400	319,000		35,600	12.6
NSOM	84,700	97,600		12,900	15.2
SGLOS	157,000	186,100		29,100	18.5
WoE	627,200	721,800		94,600	15.1

Cambridge Econometrics 3.2% GVA

	2006	2026		2006-26	%
B&NES	102,100	123,000		20,900	20.5
BRISTOL	283,400	325,900		42,500	15.0
NSOM	84,700	100,400		15,700	18.5
SGLOS	157,000	194,700		37,700	24.0
WoE	627,200	744,000		116,800	18.6

Sources: South West Observatory / Oxford Economics South West Growth Scenarios (2010-2030) (<http://economy.swo.org.uk/publications/simulations-projections-and-forecasts/sw-growth-scenarios/>). Regional Assembly / Roger Tym and Partners / Cambridge Econometrics - RSS Employment Land Provision: Spatial Implications (http://www.swcouncils.gov.uk/nqcontent.cfm?a_id=4381&tt=swra)

Labour supply - Dwelling-led population projections

3.29 The West of England Partnership Office commissioned the Greater London Authority (March 2010) to produce dwelling-led population projections for Bristol based on an assumed increase of 30,200 dwellings as set out in the 2009 Strategic Housing Land Availability Assessment (SHLAA) (November 2009). These projections suggest an increase in the population of 41,032 between 2006 and 2026 and are shown in Table 6. The economically active population arising from these projections is projected to increase by 23,500. This increase in the labour supply (economically active population) broadly aligns with the increase in labour demand (jobs) of 21,900 produced by the Oxford Economics central baseline scenario of growth averaging around 2.3% a year. In comparing supply and demand, for labour account also needs to be taken of a number of factors, including job vacancies and double-jobbing (i.e. where one person holds two jobs).

Table 6. GLA dwelling led population projections for Bristol 2006-26

	2006	2026		2006-26	%
Population	410,500	451,500		41,000	10.0
Economically Active Population	214,600	238,100		23,500	11.0
Households	178,300	208,500		30,200	16.9

Source: Greater London Authority Data Management and Analysis Group

3.30 The Greater London Authority projections used assumptions about future net dwelling stock to generate the future number of households. The population of this household change was produced using Department for Communities and Local Government*s (DCLG) 2004-based revised household projections. The age and sex structure of this population change was created using the weighted average of two alternate trend-based projections, using transition rates based on Office for National Statistics (ONS) mid-year population estimates. These trend-based projections reflect the combined impacts of mortality and net migration. The model for Bristol was also adjusted to account for the high level of student migration. Fertility and mortality rates in the model reflect ONS projected trends.

3.31 The projections of resident labour force (economically active residents) are produced by converting the dwelling-led population projections using economic activity rates based on local 2001 Census data projected forward using the ONS UK Labour Force Projections (2006). Changing household formation rates are taken into account through the DCLG household representative rates. The economic active rates are applied to the projected population as a whole, and therefore do not differentiate directly between existing resident and migrant populations.

3.32 Table 7 below illustrates the projected increase in economically active people from each of the sets of ONS Population Projections for Bristol. These show that the level of labour supply from the more recent 2006-based and 2008-based projections would greatly exceed the increase in labour demand of 37,075 generated by the stronger economic scenario growth of averaging around 2.75% a year (Oxford Economics, June 2010). They also suggest broad alignments between the 2003-based projections and the Oxford Economics Central 2.3% GVA scenario employment growth; and also between the Revised 2004-based projections and the Oxford Economics Strong 2.75% GVA scenario employment growth.

Figure 5. Comparison of Economically Active Population Projections (based on ONS projections) and Oxford Economics Employment Scenarios

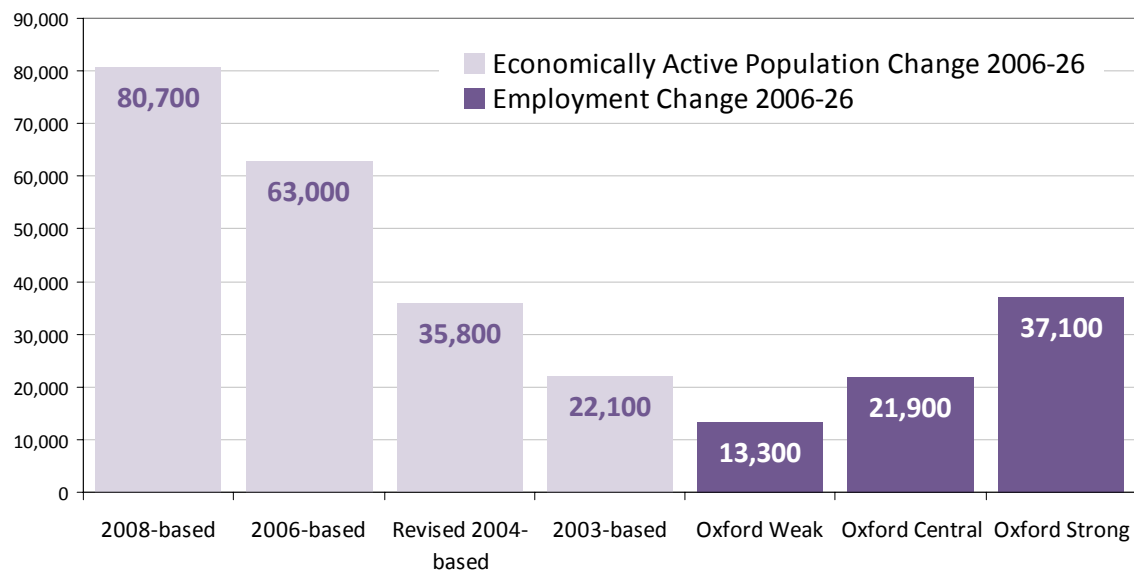


Table 7. Bristol economically active population change 2006-26

	2006-26	%
2008-based	80,700	37.5
2006-based	63,000	29.5
Revised 2004-based	35,800	17.1
2003-based	22,100	11.0

Notes: Figures calculated by BCC by applying economic activity rates to ONS Population Projections by age/sex. Economic activity rates created using local 2001 Census data projected forward using the ONS UK Labour Force Projections (2006).

- **Land availability**

3.33 PPS3 indicates that evidence of availability of suitable land for housing should be taken into account. Evidence regarding land availability has been drawn from five sources:

- Residential Development Survey
- An assessment of the five-year deliverable supply
- The Strategic Housing Land Availability Assessment
- Information on delivery from small housing sites
- Assessments of potential capacity for development within the Green Belt

3.34 These issues have been subject to discussion in the examination hearings. Having considered the evidence of supply the Council has concluded that, having regard to national and local policy, 26,400 homes could be delivered with reasonable certainty. It has also concluded that there is potential capacity, albeit with less certain prospects for delivery, for a further 6,400 homes arising from small sites development and regeneration projects.

3.35 Following the examination hearing on 7 September the Inspector requested updated information on housing land availability. This has been included at **Appendix 3**.

3.36 Notwithstanding the overall assumption of permanence of Green Belt set out within national planning policy, the Council has considered the potential of development in Green Belt locations on the edge of the city. Evidence on potential capacities of sites in southwest Bristol was set out in the Capacity Appraisal of Sites in South West Bristol. Evidence on other locations was addressed in the paper Development Capacity of the Main Green Belt Areas in Bristol. Information relating the capacity of land at southeast Bristol is set out in Appendix 6.

- **Government's overall ambitions for affordability**

3.37 PPS3 paragraph 9 sets out the Government's strategic housing policy objectives which includes 'to improve affordability across the housing market, including by increasing the supply of housing'. In July 2010 the new Government revoked Regional Spatial Strategies which removed the region by region targets for delivery of new homes. It is understood that this means the Government no longer retains a national target for delivering 3,000,000 homes by 2020 as set out by its predecessor. The new Government has not quantified its approach to improving affordability and to increasing supply. It has, however, indicated its intention to move from the target based approach to housing delivery to an incentive based approach.

3.38 The SHMA explains that any increase in supply would have to form part of a concerted national strategy, if house prices are to be reduced and affordability improved. Such effects would be far less if higher supply levels are only applied to a single region and relatively small if only applied within a single local authority. In the circumstances, a single local planning authority can do little unilaterally to address structural affordability issues.

- **Sustainability Appraisal Information**

3.39 Paragraph 33 of PPS3 indicates that a sustainability appraisal should be taken into account in determining the level of housing provision. The Core Strategy has been subject of a sustainability appraisal process and the Publication Version was accompanied by a Sustainability Appraisal report which included consideration of Policy BCS5. An iteration of the sustainability appraisal has been prepared alongside the proposed changes to the Policy. This is included at Appendix 4.

3.40 If the Inspector considers that a set of proposed significant changes should be advertised, a full update of the Sustainability Appraisal covering all proposed significant changes to policy would be published at the same time.

- **Implications on infrastructure provision**

3.41 The Infrastructure Delivery Programme sets out the key infrastructure requirements needed to support the level of growth proposed in the Core Strategy for up to 30,000 new homes. An increase in housing beyond this figure would be unlikely to raise any significant issues of under provision in terms of infrastructure, if additional growth was dispersed throughout the city. However, any new large residential proposals would require transport modelling and other infrastructure appraisal to identify additional needs.

4. Implications of the Approach to Housing Provision

Need and Affordability

4.1 Having regard to the total potential housing supply for Bristol it is evident that the projected level of affordable housing need identified in the SHMA could not be realistically met. In order to meet forecast need the majority of the housing supplied would have to be affordable. This would not be economically viable or consistent with the Core Strategy's aim to deliver more mixed and balanced communities.

4.2 If the council was seeking to meet the level of need forecast by the SHMA through the application of policy BCS18 then overall housing supply levels would need to be extremely high having regard to site viability limits to the percentages sought (30%-40%). Significantly higher housing supply levels are unlikely to be deliverable even if this were considered to be an appropriate response to the SHMA forecasts.

4.3 In line with SHMA recommendations the council have sought to review delivery mechanisms for affordable housing in an effort to increase supply. This has entailed:

- Lowering the site size threshold to 15 from 25 and seeking to increase affordable housing percentages to between 30% and 40% taking account of economic viability. The average percentage secured over the last 5 years in Bristol has been approximately 18% to 20%;
- Proposals to seek financial contributions from sites under 15 units;
- Proposals to extend the use of limited public subsidy to support affordable housing percentage targets where scheme viability may be affected;
- Focusing on citywide housing need by optimising affordable housing targets across all areas;
- Seeking delivery of affordable housing through the existing housing stock, for example refurbishments and/or conversions of existing social housing and bringing empty homes back into use.

4.4 In seeking to increase levels of affordable housing, within supply constraints and policy limitations, the council has calculated the likely level of delivery to be some 8000 units over the plan period.

4.5 The SHMA and the former National Housing and Planning Advice Unit (in evidence given to Parliament) identified a number of potential broad socio-economic consequences of not being able to meet affordable housing need. These include:

- Increasing levels of overcrowding and sharing and concealed households leading to potential health and stress issues;
- Growing social housing waiting lists and housing benefit bill for households supported in the private rented sector;
- Employers finding it increasingly difficult to attract staff, particularly in lower paid roles;
- Children having to live longer with their parents

4.6 The council acknowledges that the SHMA suggests a substantial potential gap between forecast affordable housing need and potential affordable housing supply. If such a gap arises in practice this may have negative socio-economic consequences as indicated above. However, the ability of the council to substantially address this forecast shortfall and

reduce the potential for consequences is limited. The evidence available suggests that supply needs to be increased at a national level to secure any structural improvements in affordability and so reduce levels of need. The Government's housing policy is still emerging and as such implications for national supply are unknown. There is clearly an upper practical limit to affordable housing delivery in the city. This is set by the total level of housing the council is able to provide for and the limitations of policy, particularly in relation to site economic viability.

4.7 The council will however, continue to seek ways to increase affordable housing by closely working with developers and local communities to find innovative solutions. Emerging Government policy may also enhance delivery. This may come through incentives to house building, in particular the 'New Homes Bonus' or through greater powers provided to local authorities and communities to deliver housing in their area.

4.8 In light of this analysis the council wishes to make a minor amendment to clarify its Vision on 'Housing to meet local needs' (see Schedule of Potential Minor Changes) but is satisfied that the broad Core strategy Objective of 'Appropriate Housing Provision' including 'the provision of affordable homes to help meet the needs of the population in Bristol in 2026' is consistent with the policy approach.

Economic, demographic and household change

4.9 Future changes to the population and economy are subject to significant uncertainties. Economic and population scenarios and projections show a significant range of alternative outcomes. The expected delivery of 30,600 additional dwellings within the city appears to broadly correspond with the Oxford Economics central baseline scenario of growth averaging around 2.3% a year. However lower or higher economic growth outcomes could have implications for jobs, population and household formation, and flows of people migrating or commuting. The social, economic and environmental implications of different scenarios will also depend on a range of sub-regional factors including the level, location, type and timing of employment change, both increases and decreases, and dwelling provision.

Table 7. Projected change in Bristol 2006-26

	Population	Economically Active Population	Households
2008-based	134,500	80,700	72,000
2006-based	109,300	63,000	63,000
Revised 2004-based	53,900	35,800	42,000
2003-based	29,500	22,100	29,000

Sources: Office for National Statistics – Mid Year Population Estimates; Subnational Population Projections (SNPP) for England. Crown Copyright. Economically Active Population Projections calculated by BCC by applying economic activity rates to ONS Population Projections by age/sex. Economic activity rates created using local 2001 Census data projected forward using the ONS UK Labour Force Projections (2006). Department for Communities and Local Government - Household estimates and projections. Crown Copyright.

4.10 A level of housing supply within Bristol below the expected level of 30,600 dwellings may not provide enough homes within the city to support the central scenario of most recent projections of economic growth. Similarly continued high levels of migration or

higher scenarios of economic growth which result in higher demand for housing may have negative social, economic and environmental implications, for example, increasing in-commuting into the city, and increasing levels of overcrowding, sharing and concealed households.

Bristol's role within the sub-region

4.11 The expectations for housing delivery in Bristol, will result in the existing stock of homes within the city being increased from 180,000 to 210,000 by 2026. Based on the current populations of the other West of England authorities, and an understanding of their known aspirations for housing growth, Bristol will continue to contain 40% of West of England's population, homes and households. The number of homes planned to be developed by 2026 will be the largest of the four West of England authorities, if the current understanding of intentions for housing delivery are reflected in the Core Strategies of all authorities.

4.12 If the economy grows at the baseline level projected by Oxford economics, Bristol is likely to see a level of new homes broadly consistent with the likely level of new economically active residents. In the event of higher levels of economic growth, there is likely to be demand for additional homes which may have implications for the housing market area if the level of homes to support the workforce exceeds the supply of land which can sustainably be delivered within the Bristol City Council boundary.

5. Conclusion

5.1 PPS3 identifies a number of considerations to be taken into account in determining the level of housing provision, including relevant local and national policies (PPS3 paragraph 32). This paper shows that a range of factors have been taken into account in determine the level of homes. The consequences and implications of the approach have been explored in this paper, to the extent that this is possible at a local level and with the evidence available.

5.2 The Council has concluded that, having regard to the prevailing economic climate the Oxford Economics central growth scenario of 2.3% per annum is a reasonable assumption about future prospects. On that basis the Council has determined that about 29,000 homes would ensure a balance between homes and new jobs created over the plan period. Policy BCS5 as proposed to be changed envisages the development of 30,600 homes to 2026 and indicates how that level is likely to be achieved.

5.3 The expected level of new homes is considered appropriate having regard to evidence of supply. It is also considered appropriate having regard to consideration of need and demand, including a balanced consideration of the latest household projections and growth forecasts. The approach is also consistent with national policy and with local policy, including the aim of maintaining the long established Green Belt.

5.4 In order to ensure that housing targets do not result in pressure for development inconsistent the spatial strategy, a minimum delivery target of 26,400 has been set for the purposes of housing supply calculations. The Council considers that a level of 30,600 homes is achievable but acknowledges that relies of the development of about 4,200 homes from small unidentified windfall sites. However, the Government has advised that it is moving from a system of imposed central targets to powerful incentives so that people can see the

benefits of building⁶. A New Homes Bonus is expected to be introduced which may assist in facilitating development and alleviating obstacles to delivery. Policy BCS5's proposed minimum delivery target and higher level assumption of development is considered appropriate and consistent with a locally based approach to determining the level of new homes and with the Government's forthcoming incentive based approach.

Summary of Proposed Changes to BCS5

5.5 To reflect the considerations set out in the paper it is proposed that BCS5 is amended as follows:

- Delete paragraphs referring to emerging RSS and urban extensions. Replace with context paragraphs covering planning for new homes, potential need and demand.
- In Housing Supply section add text to summarise conclusions on supply, potential for delivery from small sites and section on potential capacity of sites in Green Belt.
- Add concluding paragraphs on the appropriate level of homes
- Amend and relocate Table 4.5.1 to show revised figures. Add section to table to indicate potential contribution from small sites and sites in regeneration areas
- Amend policy text to refer to expected level of development of 30,600 and 26,400 minimum delivery target.
- Add reference to review within 5 years of Core Strategy adoption.
- Revise broad spatial distribution table:
 - Show 8,000 in South Bristol to reflect regeneration uncertainties, whilst indicating that a further 2,200 at Knowle West would remain consistent with the spatial strategy.
 - Revise City Centre figure to 7,400 to reflect approach to flood risk
 - Delete total from table to remove inappropriate precision – table only indicates broad spatial distribution in relation to broad strategic areas and is not intended to be mathematically or geographically precise. Add reference to small unidentified sites to the table to reflect the likelihood of development from this source over the plan period
 - Remove data on completions and permissions for above reasons
- Remove references to contingencies
- Add explanatory paragraphs explaining showing how 30,600 homes can be achieved.
- Add paragraphs showing role of small sites
- Delete explanatory paragraphs related to contingencies and urban extensions
- Add size definition of small sites in 4.5.17
- Amend delivery section:
 - to confirm regeneration sites will be allocated for housing as appropriate
 - Include approach to small sites, and their contribution to achieving 30,600 homes
 - Refer to monitoring of delivery and examining evolving evidence of need and demand
- In targets and indicators section, change target to 26,400

5.6 The proposed changes from the Core Strategic Publication Version are shown at Appendix 1.

⁶ Parliamentary Statement of Secretary of State for Communities and Local Government 6 July 2010

Appendix 1

The following are the suggested changes to policy BCS5 of the Core Strategy arising from the examination process.

Housing Provision

4.5.1 This policy ~~sets out~~ addresses the level of new homes ~~planned to be delivered~~ developed in Bristol between 2006 and 2026. ~~A number of contingencies have also been identified to allow for possible increased numbers and to ensure a continuous supply. The policy sets out a flexible approach to housing delivery in the absence of the Regional Spatial Strategy, which at the time of publication of this strategy has been delayed due to legal concerns.~~

4.5.2 Delivery will be primarily from development of homes on previously developed sites but will include the use of some open space for housing development. The policy contributes to addressing objectives 1, 2 and 4 of the Core Strategy and responds to issues 1, 5 and 11.

Context

Planning for New Homes

4.5.3 The amount of new homes for which the Core Strategy should plan has been based on assessing a range of evidence sources. Conclusions have been drawn and choices made in response to considering that evidence.

Potential Need and Demand for New Homes

4.5.4 The main sources of evidence used to consider the potential need and demand for new homes have been the West of England Strategic Housing Market Assessment (SHMA), the government's demographic projections and forecasts of economic growth.

4.5.5 Housing need is defined in PPS3 as the 'quantity of housing required for households who are unable to access suitable housing without financial assistance'. The SHMA indicates that housing need in the city is likely to remain high throughout the Core Strategy period. The SHMA also acknowledges the policy limitations of delivering affordable housing. Given much reduced levels in public subsidy for affordable housing it is clear that supply will increasingly rely on private development. Policy BCS17 indicates that 30% to 40% affordable housing will be sought within private developments, having regard to economic viability. At these proportions the level of market housing required to address identified need would be significantly in excess of anticipated housing demand and potential supply. The upper practical limit to affordable housing delivery is therefore strongly influenced by economic viability and the likely demand for market housing.

4.5.6 Housing demand is defined in PPS3 as 'the quantity of housing that households are willing and able to buy or rent'. The SHMA does not provide a definitive indication of future housing demand. Therefore, the council has had regard to household projections and to economic growth forecasts in order to provide some indication of what future housing demand may be.

4.5.7 The most recent household projections (2008-based: DCLG 2010) project an increase of 72,000 households in the city between 2006 and 2026. However, these trend-based projections are based on the assumption that recent high levels of international migration into the city will continue. Whilst it is important to consider the projections they cannot be considered in isolation. They do not critically evaluate likely future outcomes and do not offer a reasonably realistic projection of household change in the plan period.

4.5.8 Future economic performance is likely to have a key impact on the potential demand for homes. In June 2010 Oxford Economics forecast three potential levels of growth for the city. The central forecast of 2.3% growth per annum was expected to result in employment growth of 21,900 jobs over the plan period. Dwelling based population projections for Bristol (GLA March 2010) indicated that if 30,200 new homes were built in the city up to 2026 there would be an increase of 23,500 economically active people. On this basis, the projected increase in jobs would need to be supported by about 29,000 homes to ensure a reasonable balance between new jobs provided and new homes created.

Housing Supply

4.5.39 The potential supply of housing land in Bristol has been demonstrated through examined with reference to three five main sources of evidence:

- The Residential Development Survey;
- An assessment of the five-year deliverable housing supply;
- The Strategic Housing Land Availability Assessment;
- Information on delivery from small sites; and
- Assessments of potential capacity for development of land within the Green Belt.

4.5.10 The Strategic Housing Land Availability assessment indicated a potential supply of 30,000 homes over the plan period. However, following further consideration it was noted that the delivery of certain sites was uncertain. Sites subject to flood risk and proposed redevelopment of pre-cast reinforced concrete dwellings are no longer considered certain by 2026. The potential development of 2,200 homes at Knowle West is also uncertain because it is likely require funding to support regeneration. Therefore, it is assessed that the level of new homes that can be delivered from identified sites within the built up area is about 26,400.

4.5.11 The Strategic Housing Land Availability Assessment did not consider the potential contribution that developments on small unidentified sites could make over the plan period. Although all small sites cannot practicably be identified, they have made a considerable contribution to housing delivery in the past. The council has cautiously estimated that there are reasonable prospects of around 4,200 homes being delivered from this source from 2012 to 2026.

4.5.12 The potential for using land within the Green Belt for development was also considered during preparation of the Core Strategy. As evidence presented to the Core Strategy examination showed, only a small proportion of the Green Belt land in the city has any practicable potential for development. In southwest Bristol the potential capacity was estimated to be a total of 400 homes on three sites. In southeast Bristol the potential capacity was estimated to be in the region of 800 homes to the east of the park and ride site.

Conclusions on the appropriate level of homes

4.5.13 The council has concluded that economic factors have a major bearing on the level of housing for which it is appropriate to plan. Having regard to the prevailing economic climate in 2010, the Council considers that a forecast level of economic growth of 2.3% GVA per annum is a reasonable assumption about future prospects. On that basis provision of around 29,000 homes should ensure that new jobs created are balanced by sufficient homes.

4.5.14 The evidence of supply shows that the level of identified sites and the contribution from small windfall sites give reasonable prospects that 30,600 homes can be delivered

within the built-up area, slightly exceeding the number of homes indicated as achieving a balance with new jobs.

4.5.15 This level of provision could deliver approximately 6,500 affordable homes over the plan period subject to scheme viability.

4.5.16 The determinants of need and demand for homes, and the elements of supply, change over time. If the economy grows more quickly than expected, the planned level of homes could ultimately prove insufficient to ensure that there are enough homes to address employment growth. Therefore, the appropriate level will be reviewed within 5 years of the adoption of the Core Strategy,

4.5.4—The position at the time of publication of the Core Strategy is summarised in the table below.

Table 4.5.1: 2006–26 Housing supply position at 31st March 2009

	Net dwellings
Completions 2006–09	7,037
Sites with planning permission or agreed subject s.106	12,510
Additional supply identified	10,453
TOTAL	30,000

Sources: BCC Residential Development Survey 2009, SHLAA November 2009.

Emerging Regional Spatial Strategy

4.5.5—The emerging Regional Spatial Strategy aims to establish the level of housing provision to be provided in Bristol between 2006 and 2026. The Draft Revised Regional Spatial Strategy for the South West Incorporating the Secretary of State’s Proposed Changes (July 2008) suggested increasing Bristol’s allocation of homes to 36,500. This figure is substantially higher than the level of 30,000 recommended by the Draft Regional Spatial Strategy for the South West Examination in Public Panel Report (December 2007).—

Table 4.5.2: Emerging proposals for housing provision in Bristol (2006–26)

	Net dwellings
Draft Regional Spatial Strategy for the South West 2006–2026 (June 2006)	28,000
Core Strategy Preferred Options (January 2008)	29,500
Draft Regional Spatial Strategy for the South West Examination in Public Panel Report (December 2007)	30,000
Draft Revised Regional Spatial Strategy for the South West Incorporating the Secretary of State’s Proposed Changes (July 2008)	36,500

Urban Extensions

4.5.6—The emerging Regional Spatial Strategy envisages that urban extensions in the Green Belt surrounding the Bristol urban area should contribute towards providing new homes for the sub-region in the period up to 2026. The Draft Regional Spatial Strategy for the South West 2006–2026 showed ‘areas of search’ in the Green Belt to the southwest and southeast of Bristol to accommodate urban extensions. It set out a proposal for 1,500 homes within the city boundary as part of urban extensions to the southwest of Bristol. The draft Regional

Spatial Strategy made no proposal within the city boundary for a contribution towards urban extensions to the southeast of the city.

4.5.7—The Draft Revised Regional Spatial Strategy for the South West Incorporating the Secretary of State's Proposed Changes (July 2008) reiterated the proposal for 1,500 homes inside the city boundary at southwest Bristol and added a proposal for 1,500 homes to be developed in the Green Belt inside the city boundary in southeast Bristol. The proposal in southeast Bristol was made for the first time in the Proposed Changes and had not been a recommendation of the Draft Regional Spatial Strategy for the South West Examination in Public Panel Report (December 2007).

4.5.8—The final Regional Spatial Strategy has been delayed since June 2009 following a High Court judgment that the published East of England Regional Spatial Strategy failed to meet certain requirements of the EU Strategic Environmental Assessment Directive. At the time of publication of the Core Strategy the Secretary of State is considering the potential implications for the South West Regional Spatial Strategy. In September 2009 the government decided to carry out a new sustainability appraisal, to ensure that alternatives to its proposals were properly tested. It expects the new appraisal to be completed early 2010 after which the government has said it will decide what action to take to progress the Regional Spatial Strategy.

Policy BCS5

A flexible and responsive supply of deliverable and developable land will be identified to secure the delivery of a minimum provision of 30,000 new homes between 2006 and 2026. The Core Strategy aims to deliver new homes within the built up area to contribute towards accommodating a growing number of people and households in the city.

Provision of new homes will be in accordance with the spatial strategy for Bristol set out in this Core Strategy and it is envisaged that 30,600 new homes will be provided in Bristol between 2006 and 2026. Additional provision which accords with the spatial strategy may be appropriate within the plan period.

The minimum target will be 26,400 homes between 2006 and 2026. The appropriate level of new homes will be reviewed within 5 years of the adoption of the Core Strategy.

Development of new homes will primarily be on previously developed sites across the city. Some new homes will be developed on open space which does not need to be retained as part of the city's green infrastructure provision.

In order to maintain the net housing stock existing homes will be retained unless they are unsuitable for residential uses, would be used for essential local community facilities or would be replaced.

The broad spatial distribution of new homes as indicated on the Key Diagram will be:

Area	Net additional dwellings 2006-26	Completions by 1 April 2009	Planning permissions at 1 April 2009
South Bristol	8,000* 10,000	1,883	3,141
City Centre	7,409,000	1,532	4,818
Inner East	2,000	697	1,033
Northern Arc	3,000	934	1,186
Rest of Bristol	6,000	1,991	2,332
<u>Citywide – small unidentified sites</u>	<u>4,200</u>		
Total	30,000	7,037	12,510

*Additional provision of around 2,000 homes at Knowle West would be consistent with the spatial strategy.

Contingencies

If monitoring shows that planned provision will not be delivered at the levels expected, or if land is required to accommodate higher levels of provision, the following contingencies for development of new homes will be considered in order of preference:

- 1. Delivery from small sites / subdivisions;**
- 2. Mixed use development of some industrial and warehousing land; and**
- 3. Use of some Green Belt land in southeast Bristol as a long term contingency for urban extension development. The broad location is indicated on the Key Diagram.**

If the contingencies are required they will be brought forward in sufficient time to ensure that a continuous supply of land for new homes is maintained.

Explanation

4.5.9—In the absence of the Regional Spatial Strategy and having regard to the potential concerns regarding aspects of its legality, the Core Strategy has been progressed with a minimum level of provision of 30,000 homes with contingencies for additional homes. The figure of 30,000 homes is consistent with the level explored in the Core Strategy Preferred Options (January 2008) and with the overall level recommended in the Draft Regional Spatial Strategy for the South West Examination in Public Panel Report (December 2007). It is also consistent with level of additional capacity identified in the Strategic Housing Land Availability Assessment.

Approach to Urban Extensions

4.5.10—Various urban extension areas of search have been proposed in the emerging Regional Spatial Strategy with the majority of urban extension development proposed within the administrative areas of adjoining authorities. Proposals for urban extensions within the city boundary have performed consistently poorly in the sustainability appraisal process of the Core Strategy. Due to significant development constraints it has been determined that there is only minimal potential capacity for the delivery of homes in the Green Belt in southwest Bristol. Land in southeast Bristol is also subject to development constraints and there are major challenges to developing a sustainable urban extension in this location.

4.5.11—The evidence that housing delivery can be secured from other sources, together with the practical constraints on development in the Green Belt areas, has led to the Core Strategy making no current proposals for urban extensions in the Green Belt within Bristol. However, the possibility of urban extension development in southeast Bristol is retained as a long-term contingency.

Contingencies

4.5.12—The contingencies referred to in this policy were all explored in the Core Strategy Preferred Options Review (February 2009). The Monitoring and Review section of this strategy shows the approach to contingencies and identifies the triggers which would result in them being considered as part of housing delivery.

4.5.13 **Small sites** – the most sustainable approach to additional supply was found to be delivery of homes from small sites making efficient use of land. Such sites, providing fewer than 10 homes, are too small to be allocated and their availability cannot be gauged with certainty over the long term. However, based on previous patterns of delivery and the likelihood of small sites continuing to become available for development across the city, it is estimated that 4,500 homes could arise from this source. Their overall contribution would not be relied on as a source of supply until 2021 at the earliest. Their actual contribution to housing supply will be measured through annual monitoring.

4.5.14 **Industrial and warehousing land** – the use of some primarily industrial and warehousing land has clear implications for the economic objectives of the Core Strategy. However, the Core Strategy Preferred Options Review (February 2009) explored the potential for such land to contribute up to 1,700 homes. If it is necessary to use such sites the following criteria will be used to identify suitable sites to be allocated through the development plan process:

- The area's suitability for housing and / or mixed-use development.
- Attractiveness of the area for industrial and warehousing businesses as evidenced by vacancy levels, age and quality of buildings, parking, internal circulation and servicing, ease of access to the main road network, adjacent land uses which may constrain operations, market demand for industrial and warehousing development, topography, size, shape and access.
- Socio-economic factors including socio-economic deprivation in the local area, availability of other industrial and warehousing land locally, and local regeneration initiatives and designations.

4.5.15 **Urban extension in southeast Bristol** – land at southeast Bristol could act as a long term contingency for future supply of homes. Such capacity is unlikely to exceed 1,500 homes and is not expected to be subject to consideration until at least 2021.

4.5.16—Evidence shows that there is minimal feasible capacity for development of new homes on Green Belt land in southwest Bristol. This potential capacity is noted but is too limited to be identified as a meaningful contingency for future supply.

4.5.17 Whilst the development of 30,600 is reasonably likely, the Council is concerned to ensure that specific targets for new homes are not set at a level which could lead to pressure to develop in locations which would conflict with the with the objectives of the Core Strategy. Therefore, the minimum target is 26, 400 which can be delivered from the identified supply. This target figure of 26,400 will be used in calculations of five year supply of land for housing.

4.5.18 The contribution from small unidentified sites does not form part of the identified supply and minimum target. However, the development of about 4,200 homes from this source from 2012 to 2026 is reasonably likely and will contribute to the delivery of 30,600 homes. The Core Strategy’s policies allow for such sites to be developed.

4.5.19 There is potential for around 2,200 homes to arise in regeneration sites at Knowle West. This potential has not been included in the identified supply. However, this level of development would be consistent with the spatial strategy and would represent an acceptable additional level of supply if brought forward during the plan period.

4.5.20 The components of housing supply are summarised in Table 4.5.1.

Table 4.5.1: 2006-26 Components of housing supply

	<u>Net dwellings</u>
<u>Completions 2006-09</u>	<u>7,037</u>
<u>Sites with planning permission or agreed subject s.106</u>	<u>12,510</u>
<u>Supply from identified sites</u>	<u>6,853</u>
<u>Total identified supply</u>	<u>26,400</u>
<u>Assumed supply from small unidentified sites</u>	<u>4,200</u>
<u>Total identified supply and small sites assumption</u>	<u>30,600</u>
<u>Potential additional supply from regeneration sites (Knowle West)</u>	<u>2,200</u>
<u>Total identified supply, small sites assumption and regeneration sites</u>	<u>32,800</u>

Sources: BCC Residential Development Survey 2009, SHLAA November 2009.

Housing figures

4.5.1721 All housing figures in this policy refer to **net additional completions**, that is the total number of completions minus those lost through demolition and conversions. Small sites are defined as being those of 9 dwellings or fewer.

Policy Delivery

Delivery of homes will primarily be by the private sector with a proportion developed by Registered Social Landlords. The council will also facilitate delivery of homes working with its partner organisations, particularly in areas of change and regeneration, and where appropriate will support other mechanisms including self-building and community land trusts.

Further information on delivering the housing provision is set out in the delivery sections of other Core Strategy policies.

A trajectory showing the projected pattern of delivery of new homes up to 2026 is included as Diagram 4.5.1. The estimates of delivery have had regard to the impact of the major infrastructure required to support housing development.

Delivery of the homes will be in part from land with existing planning permission. At the time of publication of the Core Strategy 7,037 have already been completed to contribute to delivery from 2006 to 2026 and there were 12,510 homes contained within planning permissions. Additional developable sites for housing (including mixed-use developments) will be allocated in both the proposed Site Allocations & Development Management DPD and Bristol Central Area Action Plan. This will include sites within the regeneration areas.

Where proposals are in accordance with other policies in the Core Strategy and other development plan documents, the potential contribution of small unidentified housing sites towards the delivery of 30,600 homes will be a relevant consideration in decisions on planning applications. The council will monitor new planning permissions and completions arising from small unidentified sites in order to determine whether the assumptions about development from that source of supply remain accurate.

The Strategic Housing Land Availability Assessment will set out the deliverable and developable supply of housing land to ensure a continuous supply of deliverable sites. The policy will be monitored and reviewed through annual Residential Development Surveys, Annual Monitoring Reports, regularly updated Strategic Housing Land Availability Assessments and deliverable housing supply surveys.

The approach to policy review, include trigger mechanisms, is set out in the Monitoring and Review section of this strategy. If it is necessary to use contingency sources of supply to maintain delivery, as identified through monitoring, additional sites will be identified in a revised Site Allocations & Development Management DPD and the Bristol Central Area Action Plan. In accordance with a plan, monitor and manage approach to the provision of new homes, the council will continue to monitor the delivery of new homes and examine evolving evidence of need and demand. Within 5 years of the adoption of this Core Strategy it will review the evidence and consider the appropriate response in consultation with other local authorities, the West of England Partnership, the Local Enterprise Partnership and stakeholders. It will examine the latest evidence from population projections, economic forecasts and the progress of economic recovery since the Core Strategy was adopted. The review will consider the extent to which the planned level of new homes continues to be appropriate. If evidence suggests that additional provision of homes will be required the review will consider the appropriate response. The review will take place in the context of any changes to the planning system which have been introduced since the Core Strategy was adopted.

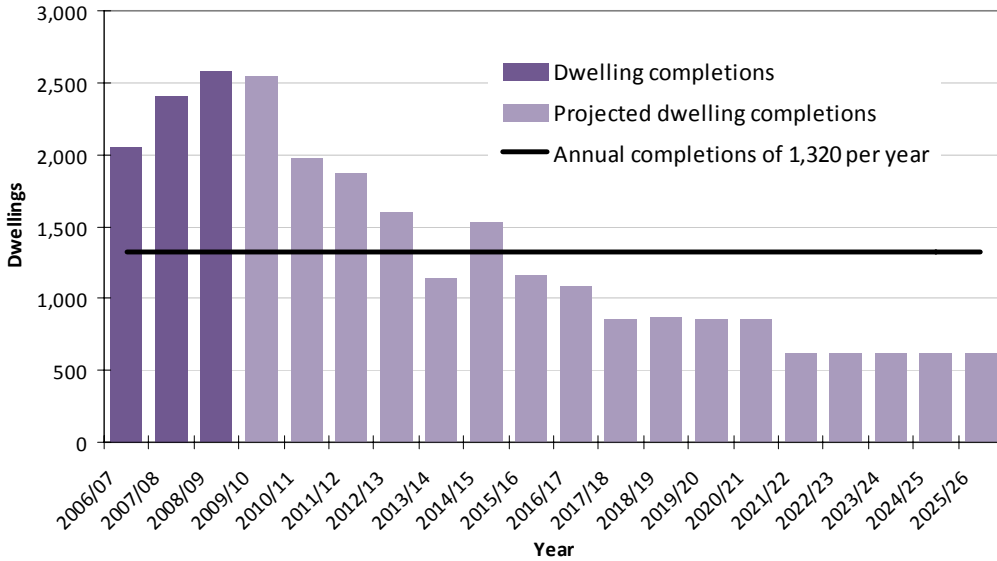
The approach to affordable housing and housing type is set out in BCS17 and BCS18.

Targets	Indicators
Provision of a minimum of <u>26,400</u> 30,000 net additional homes between 2006 and 2026.	Net additional homes provided (National Indicator 154) The target will be monitored through annual Residential Development Surveys and reported in Annual Monitoring Reports.
Maintain a 5 year supply of deliverable housing sites throughout plan period.	Supply of ready to develop housing sites (National Indicator 159) The target will be monitored through annual deliverable housing supply surveys and reported in Annual Monitoring Reports.
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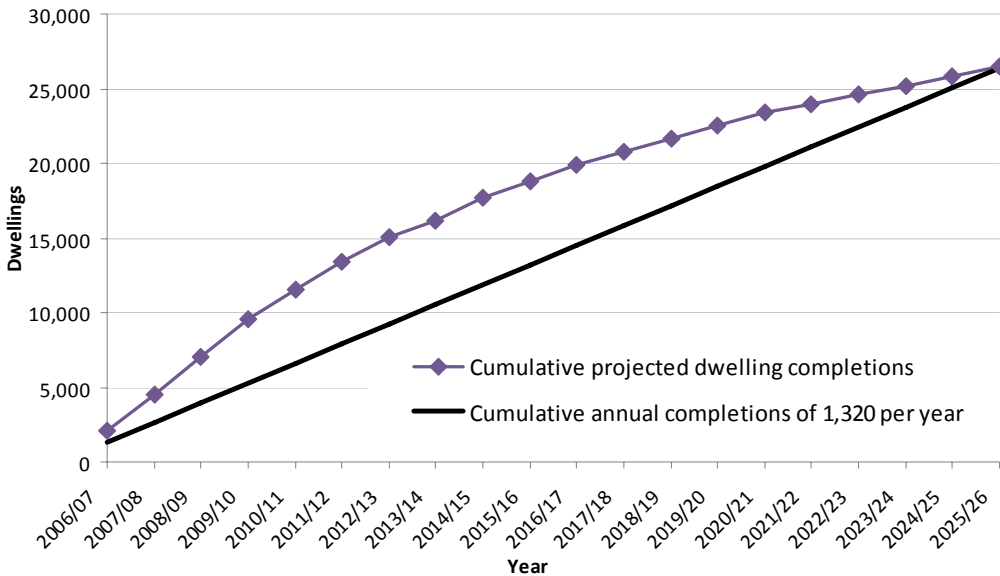
	found. addresses the economic aspects of this policy
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Diagram 4.5.1: Trajectory for delivery of new homes up to 2026

Bristol housing trajectory 2006 to 2026



Bristol cumulative housing provision 2006 to 2026



Note: The trajectory does not include the anticipated contribution of 4,200 homes from small unidentified sites.

Consequential Changes to Other Policies:

Policy BCS1 – change housing figure to refer to 8,000 homes. Indicate that additional provision at Knowle West is consistent with overall strategy.

Policy BCS2 – change housing figure to refer to 7,400 homes in policy and explanatory text.

Appendix 2

SHMA - Summary of need calculation

	Net backlog need – 10% per annum comprising:
	Backlog of need for social rented housing
PLUS	
	Backlog of need for intermediate housing
	MINUS
	Committed new supply of rented and intermediate housing

PLUS

	Annual average newly arising need comprising:
	Newly forming households in need of social rented housing or able to afford intermediate housing
PLUS	
	In-migrants unable to afford to buy or rent in market
	PLUS
	Existing owner occupiers falling into need

LESS

	Annual supply comprising:
	Supply of social relets
	PLUS
	Additional re-lets arising from tenants moving into intermediate housing
	PLUS
	Supply of re-sales from intermediate stock

EQUALS

	Net annual need for:
	Affordable rented and affordable intermediate homes

Appendix 3

Details of housing supply: 2009 Strategic Housing Land Assessment with discounts

	A	B	C	D	E	F	G	H	I	J
	Completions 2006-09	Commitments 2009	2009 SHLAA Sites	Original Total (A+B+C)	Flood Risk Discount	Pre-Cast Reinforced Concrete Discount	Regene- ration Discou- nt	Total Discount (E+F+G)	2009 SHLAA Sites Discou- nted (C-H)	Discount ed Total (A+B+I)
South Bristol	1,883	2,493	6,337	10,713	-115		-2,245	-2,360	3,977	8,353
City Centre	1,532	4,540	2,219	8,291	-868			-868	1,351	7,423
Inner City / East	697	1,168	158	2,023				0	158	2,023
Northern Arc	934	1,186	1,694	3,814	-201	-341		-542	1,152	3,272
Rest of Bristol	1,991	2,310	1,084	5,385	-15			-15	1,069	5,370
TOTAL	7,037	11,697	11,492	30,226	-1,199	-341	-2,245	-3,785	7,707	26,441

Details of housing supply: Site Allocations Options Consultation Illustrative Capacity with discounts

	Original Total		Flood Risk Discount	Pre-Cast Reinforced Concrete Discount	Regeneration Discount	Total Discount		Discounted Total
SA&DM Illustrative Capacity	7,440		-591			-591		6,849
Regeneration Sites	2,245				-2,245	-2,245		0
Pre-Cast Reinforced Concrete	341			-341		-341		0
Central Area Action Plan	2,393		-868			-868		1,525
Completions 2006-09	7,037							7,037
Commitments 2009	11,697							11,697
TOTAL	31,153		-1,459	-341	-2,245	-4,045		27,108

Appendix 4

CORE STRATEGY PROPOSED SIGNIFICANT CHANGES – OCTOBER 2010

SUSTAINABILITY APPRAISAL OF SIGNIFICANT CHANGES TO BCS5

The following appraisal matrix explains how the significant changes, from Publication to Proposed Significant Changes version of the Core Strategy, have impacted the sustainability of the policy. The appraisal matrix only displays those sustainability objectives where the effect has altered, in nature of extent, due to significant changes in the policy.

	Key questions are: Would the approach lead to...				
Objective 2 Support communities that meet people's needs	Key questions are: Would the approach lead to...	Publication Core Strategy – SA effect	Housing Provision Appraisal	Proposed Significant Changes Core Strategy – SA Effect	
To make suitable housing available and affordable for everyone.	...an increase in the number of homes of the type required to meet need, particularly more affordable homes?	(++)	<p>Significant positive effects are appraised as the policy provides the necessary housing for the growing Population, a minimum of 26,400 is considered to be deliverable with certainty, but it is considered possible to plan for 30,000 new dwellings.</p> <p>The minimum number of dwellings proposed by BCS 5 in the Proposed Significant Changes Core Strategy is reduced in comparison to the Publication Version, 26,400 in comparison to 30,000. It is still considered possible to aspire to 30,000 new dwellings, but the actual delivery of the additional 3600 dwellings becomes dependent on issues of implementation and regeneration funding associated with areas of South Bristol – as set out in section 4.5.11 of the policy.</p> <p>In comparison to the baseline position, information on housing demand set out in section 4.5.2B of BSC5 and potential reliance on existing policy, planning for strategic allocation of 26,400, is considered to have significant positive effect on this objective. As however, the supply of 30,000 dwelling is dependent upon issues of implementation, the extent of significance positive effect from BCS5 becomes more</p>	(++)	(I)

			dependent upon implementation.		
			Change nature of effect from Significant positive to significant positive and implementation dependent.		
Objective 3 Develop the economy in ways that meet people's needs	Key questions are: Would the approach lead to...	Publication Core Strategy – SA effect	Housing Provision Appraisal	Proposed Significant Changes Core Strategy – SA Effect	
To give everyone in the city satisfying opportunities for work.	... the availability of employment locally that suits the needs of the local population?	(+)	(I)	(+) (I)	
			The numbers of new homes set out in the policy will assist in providing the population to support local and larger business and regeneration, particularly in areas suffering from deprivation and a lack of services and facilities. The Publication Core Strategy contained contingencies which had potential for some industrial and warehousing land to be utilised in the longer term as a source of additional housing land. If implemented this might have had an adverse impact on local opportunities for certain types of employment in some areas. However, BCS 5 in the Proposed Significant Changes Core Strategy no longer contains provision for any contingencies, including potential development of industrial and warehousing land. As such the potential for loss of employment opportunities in the longer term, to supply housing, is unlikely to arise enhancing the certainty that only positive effects will occur on this objective. The nature of effect is considered to change from implementation and positive to only positive		
Objective 5 Maintain and improve environmental quality and assets.	Key questions are: Would the approach lead to...	Publication Core Strategy – SA effect	Housing Provision Appraisal	Proposed Significant Changes Core Strategy – SA Effect	
To promote the conservation and wise use of land.	...encouragement of development of previously developed land rather than greenfield sites where	(+)	(I)	(+) (I)	
			The majority of development within the Core Strategy will be on previously developed land. However, the strategy allows for use of some green field land in certain circumstances, through development on lower value open spaces. The exact number and location of open spaces proposed for development will be set out in the Site Allocations.		

	possible and promotion of higher densities in accessible locations?			<p>The policy text of BCS5, the section on contingencies and 4.5.15 of the supporting text in the Publication version Core Strategy, also contained contingencies for urban extensions. This might have led to development of green belt land around the city in the longer term and created potential for negative effects on this objective, dependent upon implementation.</p> <p>Whilst there is still potential for some Greenfield site development through lower value open space for housing, BCS 5 no longer contains contingencies for development on the Green Belt. The deletion of contingencies from the Policy text and explicit supporting text within the policy and at 4.5.9 is considered to remove some of the potential negative effects on this objective.</p> <p>With the majority of development proposed on previously developed land advocated by BCS5 the policy is considered to be generally positive in nature</p> <p>There remains, dependent upon the amount of lower value open space implemented for development in the site allocations, potential for negative effects to occur. But there potential extent and significance of negative effects are reduced by changes to the policy.</p> <p><i>No change but reduced potential and extent for negative occurring should be recognised.</i></p>		
To reduce vulnerability to flooding and sea level rise.	...development and infrastructure which is not at risk from flooding?		(I)	<p>BCS5 in the Proposed Significant Changes Core Strategy is explicit in directing the supply of strategic housing delivery away from high flood risk areas – set out at 3.5.9. This is considered to have generally positive effects on the objective.</p> <p>The changes to BCS5, set out at 3.5.9 differ from the approach taken in the Publication version of the Core Strategy, where some housing was still considered acceptable in flood risk areas, as long as mitigation could be incorporated. This was considered to leave to implementation, potential negative effects, and generally introduced uncertainty as to the overall effect of strategic housing delivery and policy on flood risk. This uncertainty and implementation dependent effect is no longer considered to exist following changes to BCS5.</p> <p>Where residual concerns remain and potential exists for development outside the</p>		(+) (+)

			<p>flood risk areas to cause overland flow or displace water into flood risk areas, it is considered that implementation of Policy BCS16 'Flood Risk' will ensure that measures to mitigate and reduce flood risk will be incorporated into new development.</p> <p><i>The nature of effect is considered to change from implementation dependent to positive.</i></p>	
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Objective 2 Support communities that meet people's needs	Key questions are: Would the approach lead to...	Publication Core Strategy – SA effect	Housing Provision Appraisal	Proposed Significant Changes Core Strategy – SA Effect	
To make suitable housing available and affordable for everyone.	...an increase in the number of homes of the type required to meet need, particularly more affordable homes?	(++)	<p>Significant positive effects are appraised as the policy provides the necessary housing for the growing Population, a minimum of 26,400 is considered to be deliverable with certainty, but it is considered possible to plan for 30,000 new dwellings.</p> <p>Potential Change Effect</p> <p>The minimum number of dwellings delivered by identified sites by BCS 5 is reduced from those in the Publication Core Strategy, 26,400 in comparison to 30,000. However, the policy envisages that a higher number will now actually be delivered, 30,600, by also allowing for a scale of small scale windfall developments, that have reasonable prospects of occurring from adoption to 2026.</p> <p>There is also the potential of more than 30,600 dwellings being delivered, with an additional 2,200 homes in the Knowle West Regeneration Area. Here however, the actual delivery of dwellings becomes dependent on issues of implementation and regeneration funding, as set out in section 4.5.10 of policy BCS5.</p> <p>In comparison to the baseline position and information on appropriate level of homes set out in 4.5.13 of BSC5, the planning for strategic allocation of 26,400 and allowing for a robust number of windfall developments is considered to have significant positive effect on this objective. As however, the provision of more than 30,600 dwellings is dependent upon issues of implementation the extent of significance positive effect from BCS5 is at this stage uncertain.</p>	(++)	(I)

			<p>The overall significance of positive effect, on this sustainability objective, is considered to be more reliant on implementation, than was previously the case</p> <p><i>Change nature of effect from significant positive to significant positive and implementation dependent effect on this sustainability objective</i></p>		
Objective 3 Develop the economy in ways that meet people's needs	Key questions are: Would the approach lead to...	<i>Publication Core Strategy – SA effect</i>	<i>Housing Provision Appraisal</i>	<i>Proposed Significant Changes Core Strategy – SA Effect</i>	
To give everyone in the city satisfying opportunities for work.	... the availability of employment locally that suits the needs of the local population?	(+)	(I)	<p>The numbers of new homes set out in the policy will assist in providing the population to support local and larger business and regeneration, particularly in areas suffering from deprivation and a lack of services and facilities.</p> <p>The Publication Core Strategy contained contingencies which had potential for some industrial and warehousing land to be utilised in the longer term as a source of additional housing land. If implemented this might have had an adverse impact on local opportunities for certain types of employment in some areas.</p> <p><i>Effect of Potential Changes</i></p> <p>BCS5 no longer contains potential development of industrial and warehousing land. As such the potential for loss of employment opportunities to housing in the longer term is unlikely to arise, enhancing the certainty that the policy will have only positive effects on this objective.</p> <p><i>The nature of effect is considered to change from implementation and positive to only positive effect on this sustainability objective</i></p>	(+)
Objective 3 Develop the economy in ways that meet people's needs	Key questions are: Would the approach lead to...	<i>Publication Core Strategy – SA effect</i>	<i>Housing Provision Appraisal</i>	<i>Proposed Significant Changes Core Strategy – SA Effect</i>	
To reduce the need/desire to travel by car.	...development patterns that reduce the need to travel by		(I)	Dependent upon locations chosen for housing growth. Core strategy's overall aim is to secure sustainable patterns of development	(I)

	ensuring that people can live closer to their work and closer to shops and services, and avoidance of development which would generate further road traffic?			<p>Potential Policy Effect</p> <p>There is potential for an increased level of commuting to the city by car beyond current level, if the city grows economically but not enough new homes are available within the city, for those who take new employment opportunities.</p> <p>As set out at 4.5.8 and 4.5.13 of BCS5, the Council considered that a forecast economic growth of 2.3% GVA per annum was a reasonable assumption about future prospects, and that on that basis provision of around 29,000 homes should ensure that new jobs created are balanced by sufficient homes. The number of dwellings proposed by BCS5, 30,600 therefore, negates a need for increased car journeys from in-commuting, by ensuring that new jobs created are balanced by sufficient number of homes within the city.</p> <p><i>No change but recognise potential negative effects from in-commuting are mitigated and negated by levels of housing provision.</i></p>			
Objective 5 Maintain and improve environmental quality and assets.	Key questions are: Would the approach lead to...	Publication Core Strategy – SA effect		Housing Provision Appraisal		Proposed Significant Changes Core Strategy – SA Effect	
To reduce non-renewable energy consumption and greenhouse gas emissions.	...opportunities to generate renewable energy, utilise renewable energy technologies or increase carbon efficiency of buildings?	(I)	(-)	<p>Despite sustainable development patterns of housing provision, the levels of growth proposed by the policy would most likely result in energy use, travel activity and subsequent non-renewable energy use and CO2 emissions, rising.</p> <p>However, Policies BCS13-15 aim to minimize use of resources and reduce carbon dioxide emissions, should assist in reducing any increase in CO2 emission from present baseline.</p> <p>Potential Change Effect</p> <p>The exact nature and type of effect is considered to be dependent upon implementation of mitigating policies within the Core Strategy.</p> <p>The potential significant changes introduce uncertainty over the exact sustainable design and construction measures that will be implemented on individual development sites, by removing a set methodology in the form of the Code For Sustainable Homes.</p>		(I)	(-)

				<p>Therefore the certainty that the policy will be able to mitigate growth is reduced, with positive effects becoming more dependent upon the measures implemented on a case by case basis.</p> <p>The imposed changes to BCS14 and BCS15 have implications for the degree and extent of mitigation which can be secured with any certainty.</p> <p><i>No changes but recognise increased implementation dependence and potential for negative effect enhanced.</i></p>		
<p>To promote the conservation and wise use of land.</p>	<p>...encouragement of development of previously developed land rather than greenfield sites where possible and promotion of higher densities in accessible locations?</p>	<p>(+)</p>	<p>(-)</p>	<p>The majority of development set out in the Core Strategy will be on previously developed land. However, the strategy allows for use of some green field land in certain circumstances, through development on lower value open spaces. The exact number and location of open spaces proposed for development will be set out in the Site Allocations.</p> <p>The policy text of BCS5, the section on contingencies and 4.5.15 of the supporting text in the Publication Core Strategy, contained contingencies for urban extensions. This might have led to development of Green Belt land around the city in the longer term and created potential for negative effects on this objective, dependent upon implementation.</p> <p>Potential Change Effect:</p> <p>Whilst there is still potential for some greenfield site development through lower value open space for housing, BCS 5 now no longer contains contingencies for development on the Green Belt. The deletion of contingencies from the Policy text and explicit supporting text within the policy and at 4.5.9 is considered to remove some of the potential negative effects on this objective.</p> <p>The potential extent and significance of negative effects are reduced by changes to the policy.</p> <p><i>No change but reduced potential and extent for negative occurring should be recognised.</i></p>	<p>(+)</p>	<p>(-)</p>

<p>To reduce vulnerability to flooding and sea level rise.</p>	<p>...development and infrastructure which is not at risk from flooding?</p>	<p>(1)</p>	<p>Potential Change Effect:</p> <p>BCS5 is now explicit in directing the supply of strategic housing delivery away from high flood risk areas – set out at 3.5.9. This is considered to have generally positive effects on the objective.</p> <p>The changes to BCS5, set out at 3.5.9 differ from the approach taken in the Publication Strategy, where some housing was still considered acceptable in flood risk areas, as long as mitigation could be incorporated. This was considered to leave to implementation, potential negative effects, and generally introduced uncertainty as to the overall effect of strategic housing delivery and policy on flood risk. This uncertainty and implementation dependent effect is no longer considered to exist following changes to BCS5.</p> <p>Where residual concerns remain relating to development in areas of lower flood risk and issues of overland flow, or displaced flooding it is considered that implementation of Policy BCS16 ‘ will ensure that measures to mitigate and reduce flood risk will be incorporated into new development. BCS13 also offers opportunity to reduce the impact of new development on raising the level of flood risk and runoff.</p> <p><i>The nature of effect is considered to change from implementation dependent to positive effect on this sustainability objective</i></p>	<p>(+)</p>
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Appendix 5: Population, Economically Active Population & Household Projections

2008-based ONS Population Projections

	2006	2026	2006-26	%
B&NES	173,100	200,200	27,100	15.7
Bristol	413,600	548,100	134,500	32.5
NSOM	200,800	268,400	67,600	33.7
SGLOS	257,500	313,600	56,100	21.8
WoE	1,044,900	1,330,300	285,400	27.3

2008-based Economically Active Population Projections

	2006	2026	2006-26	%
B&NES	86,100	98,600	12,500	14.5
Bristol	215,000	295,800	80,700	37.5
NSOM	98,800	126,100	27,300	27.6
SGLOS	139,200	164,800	25,600	18.4
WoE	539,100	685,300	146,200	27.1

2008-based DCLG Household Projections

	2006	2026	2006-26	%
B&NES	72,000	88,000	16,000	22.2
Bristol	177,000	249,000	72,000	40.7
NSOM	86,000	122,000	36,000	41.9
SGLOS	105,000	137,000	32,000	30.5
WoE	440,000	596,000	156,000	35.5

2006-based ONS Population Projections

	2006	2026	2006-26	%
B&NES	175,600	206,400	30,800	17.5
Bristol	410,500	519,800	109,300	26.6
NSOM	201,400	266,400	64,900	32.2
SGLOS	254,400	308,100	53,700	21.1
WoE	1,041,900	1,300,700	258,800	24.8

2006-based Economically Active Population Projections

	2006	2026	2006-26	%
B&NES	88,000	103,000	15,000	17.0
Bristol	213,200	276,200	63,000	29.5
NSOM	99,300	125,400	26,100	26.3
SGLOS	136,700	159,400	22,700	16.6
WoE	537,200	664,000	126,800	23.6

2006-based DCLG Household Projections

	2006	2026	2006-26	%
B&NES	74,000	93,000	19,000	25.7
Bristol	178,000	241,000	63,000	35.4
NSOM	87,000	123,000	36,000	41.4
SGLOS	105,000	138,000	33,000	31.4
WoE	444,000	595,000	151,000	34.0

Revised 2004-based ONS Population Projections

	2006	2026	2006-26	%
B&NES	175,900	196,800	20,900	11.9
Bristol	404,200	458,000	53,900	13.3
NSOM	200,500	246,100	45,600	22.7
SGLOS	255,800	301,500	45,700	17.9
WoE	1,036,400	1,202,400	166,000	16.0

Revised 2004-based Economically Active Population Projections

	2006	2026	2006-26	%
B&NES	88,100	98,900	10,800	12.3
Bristol	209,100	244,900	35,800	17.1
NSOM	98,900	117,000	18,100	18.3
SGLOS	137,700	158,300	20,600	15.0
WoE	533,700	619,100	85,400	16.0

Revised 2004-based DCLG Household Projections

	2006	2026	2006-26	%
B&NES	74,000	91,000	17,000	23.0
Bristol	175,000	217,000	42,000	24.0
NSOM	87,000	116,000	29,000	33.3
SGLOS	106,000	138,000	32,000	30.2
WoE	442,000	562,000	120,000	27.1

2003-based ONS Population Projections

	2006	2026	2006-26	%
B&NES	173,400	187,500	14,000	8.1
Bristol	393,700	423,200	29,500	7.5
NSOM	196,500	229,700	33,200	16.9
SGLOS	252,900	289,700	36,800	14.6
WoE	1,016,500	1,130,100	113,600	11.2

2003-based Economically Active Population Projections

	2006	2026	2006-26	%
B&NES	86,000	92,100	6,100	7.1
Bristol	201,600	223,700	22,100	11.0
NSOM	95,900	106,600	10,700	11.2
SGLOS	135,100	151,100	16,000	11.8
WoE	518,600	573,500	54,900	10.6

2003-based ODPM Household Projections

	2006	2026	2006-26	%
B&NES	74,000	87,000	13,000	17.6
Bristol	171,000	200,000	29,000	17.0
NSOM	85,000	109,000	24,000	28.2
SGLOS	105,000	132,000	27,000	25.7
WoE	435,000	528,000	93,000	21.4

Sources: Office for National Statistics – Mid Year Population Estimates; Subnational Population Projections (SNPP) for England. Crown Copyright. Economically Active Population Projections calculated by BCC by applying economic activity rates to ONS Population Projections by age/sex. Economic activity rates created using local 2001 Census data projected forward using the ONS UK Labour Force Projections (2006). Department for Communities and Local Government - Household estimates and projections. Crown Copyright.

Appendix 6

Housing Capacity: Potential Provision in South East Bristol Green Belt

1. The Bristol City Council Response Statement concerning Issue 2.6: 'Urban Extensions and the Green Belt' commented in some detail on the corresponding Inspector's question (dated 13th May 2010) which asked on what evidence/assessment had the Core Strategy envisaged that capacity of an urban extension to the south east within Bristol could be 1,500.
2. The response given was that the capacity figure was based on two pieces of evidence; the Council's own capacity calculations to inform the Core Strategy Preferred Options Review, February 2009, and from information received from RPS in their consultation response to the Preferred Options Review.
3. To meet the target figure of 1,500 homes set out in the draft RSS, the area considered for development included land used for other uses. This was common to both the BCC and RPS figures.
4. The Inspector's Agenda for the hearing session on the 7th September included the question: "What is a realistic figure for capacity in this location allowing for the retention of appropriate existing uses (which would otherwise have to be found new sites) such as the cricket and football grounds, allotments, industrial units and the site of the potential expansion of the Park and Ride Site ...?"
5. The existing land uses to be retained (which include those mentioned above together with a listed building 'Oatleigh' and its curtilage) total 13.5Ha in area. The remainder (excluding land and buildings set out in BCC/Issue 2.6 Urban Extensions and the Green Belt Paragraph 2.2 (a), (b) and (c)) amounts to 24.0 Ha. This consists of 16.5ha of land to the south of the A4 and three separate, isolated areas to the north of the A4.
6. Advice received from the West of England Joint Strategic Planning and Transportation Unit in considering the potential capacity of green field developments was that residential calculations should be based on 80% of the total land budget, (i.e. the net figure), and that this should include housing and directly associated uses as defined in PPS3, such as roads, private garden space, car parking areas, incidental open space, landscaping and children's play areas. The remaining 20% would be to accommodate non-residential uses required.
7. By applying a net calculation based on 80% of the 24.0 Ha of available land for development, and applying a density figure of 50 dph, an approximate figure of 960 dwellings could be developed. However, this is clearly a crude estimate and does not take account of local factors. Although detailed work has not been done on what non-residential uses would be necessary, it is considered unlikely that the 20% figure would be sufficient to accommodate all the uses required. This statement is made in recognition of the following:
 - o There are no adjoining residential areas to the site and the nearest centre is the Brislington Local centre, approximately one kilometre distant. This would necessitate the provision of a new centre (and possibly the provision of education facilities) to serve the new community.
 - o The area is deficient in terms of formal open space and sports provision that would need to be provided within the development.
 - o The area to the south of the A4 contains several mature hedgerows that are important nature conservation features and are likely to be worthy of protection. This would further reduce the potential developable area.

8. With the above in mind it is reasonable to revise the potential housing figure downwards to 800 to take sufficient allowance of non residential uses in the final calculation.

Appendix 7

Council's response to Inspector's note of 18 November 2010-12-15

INSPECTOR'S NOTE – HOUSING MATTERS & PROPOSED CONSULTATION ON CHANGES

The Inspector's comments are set out in the numbered paragraphs and the Council's response is in bold text below.

Housing matters

2. My current thinking and comments below are based on responding to the Council's desired approach, informed by the criticisms made in the recent statements from participants. The Council's October Position Paper has not encompassed all the matters that I requested in my Follow Up Note of 8 September 2010. Whilst I can understand the arguments in relation to land supply, I do not consider that there are clear and convincing conclusions on matters relating to household projections and likely overall demand; the balance between homes and jobs; or how all these matters affect the City's relationship to the sub-region. I accept that these topics are difficult and I am not seeking undue precision. But a more explicit grappling with all the evidence is required and a clearer acknowledgment in the Core Strategy of the potential or likely consequences of the choices that the Council is making. I highlight some specific points below.

The Council has responded to the points raised by making various amendments to the Housing Position paper. The Inspector's specific comments and questions are addressed below in this note, with cross references to the various additional sections in the position paper.

3. I note the Council's concerns with the use of the most recent household projections which are expressed in proposed change S4.5.1. new paragraph 4.5.2E. But the Council still comes to no conclusion as to what housing demands are likely to be over the plan period. Previous projections which informed various stages of the emerging RSS and also the Core Strategy are ignored. The submitted Core Strategy proposed 30,000 new homes responding to the recommendations of the EPI Panel, which in turn had taken into account the 2003 based household projections. The Secretary of State drew on the 2004 projections in justifying the proposed changes to the emerging RSS. There is no evidence to suggest that likely needs and demands will be less than assessed then. The proposed 26,400 thus results in a shortfall even on the basis of what the Council had previously envisaged as appropriate. Why does the Council consider that this is justified and that the consequences are acceptable?

The Council did not intend to give the impression that earlier projections were ignored. However, PPS paragraph 33 (the role of which was considered at the hearings on 7 September) refers to taking into account 'the Government's latest published household projections...'. No reference is made to the role of earlier projections and so the position paper has focussed attention on the Council's approach to the latest projections. Some references to earlier projections are made. Further commentary on these matters has been added to the Position Paper. See paragraphs 3.16 to 3.24. The paper has been updated to refer to the 2008-based projections published December 2010.

The Council envisages that 30,600 new homes will be built up to 2026. Its conclusions on potential levels of economic growth, the appropriateness of using projections and the overall level of homes needed to balance homes with new jobs are set out in the suggested revisions to policy and the revised housing position paper.

4. Neither the Position Paper nor the suggested new text for the Plan address the first overarching issue listed after paragraph 2.28 of the Core Strategy *having enough homes to meet current and projected population need*. The Council is suggesting a change to the housing objective so it says: housing to *help* meet local needs i.e. accepting that there is a shortfall, but this is a fairly subtle acknowledgement of a gap between needs and provision.

PPS3 defines need in Annex B as the quantity of housing required for households who are unable to access suitable housing without financial assistance. The suggested change to the housing objective acknowledges the fact the SHMA identifies a higher level of housing need (as defined) than can practicably be met. The consequences of this are addressed in the Position Paper.

There is no specific definition of population need. The Council shows in the Revised Position Paper that a level of 29,000 homes is likely to result in a balance with future growth in jobs. More information on the economic influences on the appropriate level of housing is contained within paragraphs 3.25 to 3.32 of the revised position paper.

5. The Council sees the constraints on land supply as the most critical factor and clearly land supply is an important consideration in the overall balance. But even if this is to be the dominant consideration, there is still a need to indicate the extent to which need and demand is likely to be met or not. I previously asked the Council to address among other matters: *The identification of the likely gap between housing supply and need/demand*. This has not been done. The identification of the gaps should relate to the new minimum planned provision as well as any aspirational level. In my view, the Council's justification for housing provision if based primarily on land supply requires the Core Strategy to acknowledge the likely scale of such a gap and its consequences. Some consequences of a gap between demands and provision are outlined in the Position Paper, but it is not clear whether the Council considers that they are likely to occur and they are not reflected in the proposed changes.

The Council considers that there is reasonable certainty of delivery of 26,400 homes in the Core Strategy period. It has indicated that there are reasonable prospects of 30,600 homes being delivered. Knowle West could deliver more but this is uncertain.

The Council's analysis, having taken into account the matters referred to in PPS3, is that a level in the region of 30,600 is appropriate having regard to a mid-range forecast of latest economic growth forecasts (2.3%). Recently the local economy has contracted. Whilst strong future growth is to be welcomed and facilitated, PPS3 indicates that economic forecasts should be taken into account. Forecasts show a range of future possibilities. The Council considers that is reasonable for the mid point of those forecasts to be used to guide decisions on housing levels.

The Council does not consider that there is a gap between its expectation of 30,600 homes and the appropriate level for housing provision assessed against the range of factors in PPS3. As explained in the revised topic paper and in the suggested revisions to the policy wording, it is considered that about 29,000 homes will result in a balance between homes and new jobs.

6. Proposed change S4.5.2A new paragraph 4.5.3, refers to *few sites in the Green Belt having any practical potential for development*. This was a matter discussed at the hearing on 7 September on the basis of the Council's previous published assessments and I am aware of the various parcels of land in the Green Belt. However, the Core Strategy should make clear what the potential capacity actually is (such as by referring to the Council's previously published assessments if those are still the basis for the Council's assessment). The assessment of potential capacity is referred to in the list in paragraph 4.5.3, but there is no particular reference to evidence. This greater clarity is important because I consider that the Council's justification for not proposing development in the Green Belt must be weighed explicitly against the consequences of discounting what this source could contribute to housing provision.

PPG2 states that where existing local plans are being revised and updated, existing Green Belt boundaries should not be changed unless alterations to the structure plan have been approved, or other exceptional circumstances exist, which necessitate such revision. Therefore, the emphasis is on exceptional circumstances being required to propose development in the Green Belt as opposed to justification being expected for not proposing development there. The Council has examined whether Green Belt boundaries would need to be altered at the end of the plan period but considers that the level of homes set out in the Core Strategy is appropriate and has shown that these can be provided within the built-up area. Therefore no such alteration is envisaged.

Wording in the suggested revision to policy summarises the Council's assessment of development potential in the Green Belt and further details are given in the revised position paper.

7. The relationship between growth in households, housing provision and economic and job growth is an important consideration, but again I am not clear as to the overall conclusions that Council has reached and how these might relate to other matters. The Council highlights a general alignment between economically active population arising from the aspiration for 30,000 new dwellings and the job growth from the central projection (2.3%) of the recent Oxford Econometrics advice. (Proposed change S4.5.1A, new paragraph 4.5.2F). This seems of some significance in the overall justification for the approach adopted.

8. Could the Council explain how the projected increase in economically active people arising from about 30,000 new homes has been calculated. How does it take into account the likely mix between decreasing household size and thus new households arising from residents already in the city (and economically active) and economically active migrants - new residents looking for jobs?

The approach to this calculation is set out in the revised Position Paper paragraphs 3.30 to 3.32.

9. To what extent is the Council saying that the 2.3% growth assumption is the one most likely to occur or the one preferred/being planned for? How does the Council's reliance on that figure relate to the aims set out in the West of England's Local Economic Partnership Submission? This indicates job growth in the sub region of 95,000 by 2030 and 3.4% cumulative annual growth in total GVA by 2020? If growth is higher than the 2.3% referred to in the proposed changes would the Council's housing provision increase in-commuting from outside? If so, that should be taken into account in the revised Sustainability Appraisal. Alternatively, would limiting housing provision as planned (especially the Council's minimum figure) act as a constraint on economic growth? In addressing these matters the City cannot be seen in isolation from the sub region. Overall, I consider that more explicit reasoning and the weighing of different sources of evidence and recognition of potential conflicts and consequences is required.

These issues are addressed in response to question 5 above. The Position Paper has set out additional weighing of evidence and reasoning.

The Council cannot be definitive about what level of growth is most likely occur. However, PPS3 refers to taking account of economic forecasts and latest forecasts show a range of outcomes. Having regard to prevailing economic conditions at the current time, the Council considers it reasonable to have regard to the central forecast of 2.3% growth.

The West of England Local Enterprise Partnership Proposal to the Secretaries of State for BIS and CLG (September 2010) refers to GVA growth of 3.4% up to 2020 which is equivalent to highest recent Oxford Economics forecast. The document relates to the entire West of England area. The figure for jobs (95,000*) goes through to 2030 (beyond the period of the Core Strategy). The bid document makes no specific reference to housing numbers.

(* The growth of 95,000 jobs suggested by 2030 is lower than that which would be indicated by Oxford Economics stronger scenario figures which would suggest an employment increase of 116,565 jobs between 2010 and 2030 in the West of England)

10. If there is justification for a twin track approach of minimum delivery and an aspiration, the aspiration should fully reflect the circumstances and acts as a real driver for seeking to increase delivery. However, on the basis of the Council's own figures, I do not understand why the Council's aspiration is limited to around 30,000. This could serve to restrict provision to this level and implies that this is the maximum provision required, but there is no evidence to demonstrate that this is the case.

The Council has revised its approach to set out an expected level of delivery and a minimum target. Text has been added to the suggested revisions to policy to show that development over and above the level of 30,600 homes will be acceptable where consistent with the spatial strategy.

11. I am likely to find as robust a contribution of 4,200 from windfalls (small sites and conversions.) (I believe this is the contribution from this source from adoption to 2026 not over the plan period as stated in change S 4.5.2A - new paragraph 4.5.3B. A correction is needed here.) I also understand the Council's commitment to, but uncertainty about finance for, the regeneration of parts of Knowle West which could result in about 2,200 more homes. There may be scope for more housing within the City Centre if flood risk can be overcome through proposals in the AAP.

12. On the above basis, I do not understand why the aspiration should not be expressed as, or based on, 26,400 + 4,200 + 2,200 plus any additional allocations in the City Centre AAP and/or SADM DPD. This would represent an aspiration which was more stretching and acknowledged to the indicators of greater need and demand.

The comments on the robust nature of the windfall contribution is noted and welcomed. Whilst in terms of PPS3 it is not possible to include this within the identified supply, the likelihood is that completions from this source will occur over the 14 year period 2012/13 to 2025/26.

The possible contribution from Knowle West is acknowledged and allowed for in the suggestion revisions to policy.

It is not considered appropriate to indicate a possibility of development in areas subject to greater levels of flood risk at this point.

13. On the basis of the Council's twin track approach with a minimum land supply figure and an aspiration which takes into account windfalls and other possibilities, I consider that the new paragraph in S4.5.12A (which refers to counting the potential from small sites) is not justified and is not consistent with a PPS3. It should be deleted. That paragraph would have the effect of suppressing delivery. The potential of small site windfalls could legitimately be counted in the manner described only if it formed part of the PPS3 land supply and if its inclusion had been justified in the terms set out in PPS3, paragraph 59. This is not, however, the Council's case as I understand it.

The intention was to acknowledge the role that delivery from small sites could have and not to suppress delivery. The Council has revised the wording to indicate that the contribution of small unidentified sites to delivering 30,600 will be a relevant consideration. This is considered to be an encouragement to delivery from this source. However, the Council does not consider that the suggested wording in the delivery section is essential if the Inspector considers it unnecessary or inappropriate.

14. Proposed change S4.5.12B under *Delivery* indicates that a wide range of matters will be kept under review, which is clearly desirable. But since there is currently no clear articulation of what the Council

consider housing needs and demands might be or how population changes relate to the planned provision, I cannot see how any review would have a focus or real purpose. There must be sufficient clarity of intentions and consequences set out now so that a review could objectively assess whether a change of approach is required in the future. Given that there will be no external stimulus to a review, such as previously occurred with reviews of the RSS, I consider that a timescale for a review, such as after 5 years, is required.

Additional text has been added to the Schedule of Potential Changes setting out approach to review within five years of adoption and having regard to evolving government policy.

15. The Council should give explicit consideration to the weight and relevance of the Government's intentions set out in the recently published White Paper *Local Growth: realising every place's potential* (October 2010). In particular, for this topic, the stated function of the planning system in paragraph 3.1: *to provide sufficient housing to meet demand*.

Following the change of government in May, the Secretary of State wrote to local authorities indicating matters to be accorded weight in considering planning applications and emerging policies.

Whilst no specific advice has been given on any weight to be accorded to the White Paper, it underlines the Government's known commitment to reforming the planning system. It confirms an intention to set out a presumption in favour of sustainable development and articulates an encouragement of growth. Three main functions of planning are set out followed by a conclusion in paragraph 3.2 that as it currently stands the planning system is 'the wrong way around, alienating communities through centrally imposed policies and targets'. The white paper outlines an intention to create a planning system where development is driven from the bottom up and envisages a new system where neighbourhoods will welcome development because they will be sharing in the gains it produces. The white paper refers to the planning system's role in providing sufficient housing to meet demand but does not articulate what that demand may be, how it is defined or how it is assessed. The tenor of the paper does, however, suggest an emerging system where the discussion of housing provision is locally based. In discussing the proposed new homes bonus, paragraph 2.28 says:

'It will return the ownership of this debate to a local level and encourage local authorities and local communities to develop their housing in way that meets local need, both in terms of numbers and sensitively to local concerns. Local authorities will need to lead this debate with their communities'

16. I know that the Council is keen to progress the Examination. Whilst I am happy to clarify any points arising from this note, I do not think it would be effective or practical to have further iterations on the above matters in advance of the more general consultation on all possible changes. I suggest the Council:

- expands the Position Paper to respond to the matters of concern I have set out and that this is published with the consultation;
- reviews the choice of 30,000 as an aspirational figure;
- sets out additional reasoning as significant changes to the text to ensure that the plan acknowledges the various potential consequences of the choices being made and how matters will subsequently be reviewed.

The position paper has been revised and expanded. The policy approach proposed is to set out the envisaged level of development, indicate a minimum target and allow for development over and above the envisaged level. Conclusions on the appropriate level of homes are set out within the suggested revisions to Policy BCS5. These changes are incorporated in the Schedules published on 17 December.

17. This approach would enable all parties to comment on the Council's final iteration of its justification and proposed changes.

18. Finally, on a separate matter I note the comments on the revised Flood Position Paper from the Environment Agency and others. If the Council has agreed to, or now accepts that, further textural changes are needed, please amend and publish a revised paper with any consultation, noting clearly the changes made.

Prior to the submission of the revised Flood Risk Sequential Test Paper in October 2010, comments were sought from the Environment Agency on a draft. The Environment Agency provided comments on the draft suggesting changes, which were incorporated into the version of the Paper that was sent to the Inspector on 18 October.

The Environment Agency's comments to the Inspector of 28 October indicate that they are satisfied that no further changes are required to the wording of the Paper.

In their response of 28 October, Redrow Homes are critical of the methodology used in undertaking the Sequential Test Position Paper. The council however considers that the test has been undertaken to the greatest extent possible at Core Strategy level and that the potential impact of Flood Risk on housing delivery has been sufficiently well understood as to be sound.

Progressing Consultation

19. Subject to the above, the Council should proceed to undertake consultation on all the possible significant changes (including the schedule of Inspector imposed changes). The basis for the consultation would be the 2 schedules of significant/imposed changes as attached to the Council's note of 28 October 2010 with the following amendments to the *schedule of significant changes*

- S4.5.1A New paragraph 4.5.2A should be dropped from the schedule because the revocation of existing RSS's has been declared unlawful. This paragraph is out of date. No replacement seems necessary.
- S4.9.2 is accepted as part of the schedule and now need not be shown in red.
- S4.17.1 The third bullet point (the dot itself) should be deleted and the text *In residential development...* made a free standing clause.
- Please add to the schedule M4.17.4, M4.17.6 and M4 17.7 from the Minor Schedule. (All these concern the deletion of the reference to *exceptional circumstances* in the affordable housing policy and text.
- Please also add to the schedule:
M4.1.1 and its accompanying revised diagram
M4.2.3 and its accompanying revised diagram
M11.1 and its accompanying revised diagram.

20. Although the changes to the above diagrams are a mix of minor and significant changes, it is simplest to treat them all as significant. I apologise for not spotting previously that the above 2 groups of changes should be in the significant schedule.

These amendments have been made.

21. Other than those that relate to housing, I am content with all the additions/amendments to the schedules explained in the Council's note of 28 October.

22. In the light of the outcome of Government's Spending Review does the wording of S4.10.3 need updating? Similarly should the first sentence of M4.10.5 be in the past tense? Are there any other implications? The Council's explanation for any update should be published along with the consultation changes.

The council has reviewed this matter and is satisfied that no further alterations to the text are required.

23. Whilst the minor changes do not require formal consultation the minor changes schedule should be made available on the website at the same time.

24. I leave the consultation arrangements to the Council. They should be consistent with Council's Statement of Community Involvement.

25. The Council should consider what proposed changes need to be the subject of a revised sustainability appraisal and publish a revised SA at the same time as the consultation.

26. The Council needs to make arrangements to provide me with copies of the representations received in response to the consultation. I would ask the Council to arrange for the substance of all the comments made to each change to be tabulated to assist my review of the material (as done previously with the representations by plan policy). It would be helpful to let me know how quickly the Council would be able to provide me with this material after the close of the consultation period, so that I can programme time to address the matters arising.

**Simon Emerson
Inspector
18 November 2010.**