

# Examination of the Bristol Local Plan

## Matter 2: Housing Need, Requirement and Supply

On behalf of Watkin Jones (Consult ID: 437)

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## Document Management.

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# Contents.

1. Introduction.....	1
2. Response to the Inspector's Matter 5 Issues and Questions.....	2



# 1. Introduction

- 1.1. This Hearing Statement has been produced by Pegasus Group on behalf of our client, Watkin Jones. It focuses upon the Inspectors Matters, Issues and Questions which relate our client's previous representations.
- 1.2. It is understood, due to the transitional arrangements set out within paragraphs 234 and 235 of the December 2024 NPPF, that the plan will be examined against the September 2023 version of the NPPF. All following references made to the NPPF are to the September 2023 version, unless otherwise stated.
- 1.3. Our client wishes to ensure that the emerging Bristol Local Plan is prepared in a robust manner that passes the tests of soundness contained in paragraph 35 of the 2023 NPPF, namely that the plan is:
  - Positively Prepared;
  - Justified;
  - Effective; and
  - Consistent with national policy.
- 1.4. Our client submitted representations to the various stages of plan production including the 'Submission (Regulation 19)' version.
- 1.5. Watkin Jones has a number of interests in Bristol across several key regeneration areas. Our client considers that the plan requires significant modifications to ensure it is found to be sound.
- 1.6. Our client has an excellent track record of delivering high-quality sustainable developments within this area.

## 2. Response to the Inspector's Matter 2 Issues and Questions

2.1. We welcome the opportunity to comment on the Inspector's Matters, Issues and Questions (MIQs) and provide the following responses to selected questions. Our client reserves the right to respond to specific issues raised by the Council and other parties within the hearing session in so far as they relate to our previous representations.

***Issue 2.1: Whether the Plan establishes a housing requirement figure that is positively prepared, justified and consistent with national policy (Policy H1).***

### ***Objectively Assessed Housing Need***

**Q2.1. *Is the objectively assessed housing need (OAHN) for Bristol of 3,380 dwellings per annum (60,840 during the plan period) based on an approach consistent with paragraph 61 of the NPPF?***

2.2. The Bristol Local Plan (BLP) was submitted to the Secretary of State for examination on the 25<sup>th</sup> April 2024. At the time of submission of the BLP paragraph 61 of the NPPF referred to a four step method for determining local housing need (LHN), set out below.

- Step 1: Setting the baseline – this takes the average rate of growth over 10-year period from the 2014-based household projections in England
- Step 2: Affordability adjustment – this adjusts the household projections by applying an adjustment based upon the most recent median workplace-based affordability ratio.
- Step 3: Capping the level of increase – this caps the level of increase in step 2 at 40% based upon the higher of the household projections or local plan target<sup>1</sup>
- Step 4: Cities and urban centres uplift – this applies a further 35% uplift to the urban local authorities in the top 20 cities and urban centres list.

2.3. Bristol is one of the top 20 cities and urban centres identified within step 4. The PPG did provide a transition period for plan making. However, this only related to those authorities who were at Regulation 19 at the time of its publication (16/12/2020) and submitted within 6-months (PPG ID 2a-036-20201216). This does not apply to Bristol.

2.4. All four steps are, therefore, relevant to Bristol. Table 1 identifies the current minimum LHN figure, using the appropriate 2023 base date at the time of Publication consultation on the BLP.

2.5. The PPG identifies (ID: 2a-008-20190220) that local authorities will need to calculate their LHN figure at the start of the plan-making process but that this should be kept under review as the:

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<sup>1</sup> Dependent upon the age of the Local Plan

*“...housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.”*

2.6. This paragraph of the PPG also identifies:

*“...local housing need calculated using the standard method may be relied upon for a period of **2 years from the time that a plan is submitted to the Planning Inspectorate for examination.**”* (our emphasis)

2.7. The plan was submitted on 25<sup>th</sup> April 2024. Taking account of the PPG this is the appropriate point at which the LHN should be calculated. Table 1 provides a calculation of LHN at the point of submission and publication. As can be seen within table 1 the difference between the two calculations is de minimis.

**Table 1: Bristol Local Housing Need (per annum)**

Step	2023 base date	2024 base date
1. Setting the baseline	1,851	1,846
2. Affordability adjustment <sup>2</sup>	2,503	2,502
3. Capping the level of increase	2,503	2,502
4. Cities and urban centres uplift	3,380	3,378
<b>Bristol LHN</b>	<b>3,380</b>	<b>3,378</b>

2.8. Based upon the above a minimum need of 3,380 dwellings per annum (dpa) is consistent with paragraph 61 of the NPPF.

2.9. The Council’s evidence for its LHN is included within the Local Housing Need Assessment 2022 (2022 LHNA, ref: TPC004). The LHNA seeks to depart from the standard method set out within the PPG by discounting the 35% cities and urban centres uplift. It also utilises the 2018-based household projections, rather than the 2014-based household projections and levels of growth within other top 20 cities and urban centres. The approach within the 2022 LHNA completely misunderstands the purpose behind the cities and urban centres uplift and is contrary to the guidance in the PPG. The 2022 LHNA paper incorrectly suggests that the housing need is based upon steps 1 to 3 of the LHN calculation, without demonstrating exceptional circumstances. This is flawed and inconsistent with the NPPF.

2.10. Furthermore, whilst the LHNA does provide evidence upon the expanding student population in Bristol, this is not translated into the need calculation (discussed against Q2.2 below), nor is there any detail upon how the Council’s adopted target to deliver 1,000 affordable homes per annum will be delivered.

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<sup>2</sup> Latest affordability ratio published 25<sup>th</sup> March 2024

- 2.11. It should also be recognised that whilst Bristol requested assistance in meeting its identified need from neighbouring authorities, this is based upon the lower figure of 2,503dpa, rather than the full need of 3,380dpa (See PAL008). This is considered unjustified and clearly demonstrates the authority's lack of commitment to delivering its housing needs in full as is the starting point under Section 5 of the NPPF.
- Q2.2** ***Given the Council's response to PQ64 and PQ65, what relevance does the 2022 ORS Local Housing Need Report appended to document TPC004 have for the issue of establishing the objectively assessed housing need?***
- 2.12. The Council's position in relation to the LHN is unclear. As discussed within our commentary upon Q2.1 the BLP is being examined in accordance with the NPPF September 2023 and the standard method at the time, which as demonstrated in table 1 above was 3,380dpa.
- 2.13. The 2022 LHNA together with its 2023 update 'City of Bristol Local Housing Needs Assessment', (2023 LHNA, ref: EVEH02) were prepared to support the Regulation 19 Plan. These documents informed the housing requirement in the Plan.
- 2.14. Figure 7 of the 2023 LHNA recommends an annual Local Housing Need of 2,503 dwellings equivalent to 50,060 dwellings over the period 2023 to 2040. This is 877dpa below the minimum LHN but is 578dpa greater than the average requirement identified in draft Policy H1. It must also be noted that this figure is 97dpa lower than proposed in the 2022 version of the LHNA.
- 2.15. In response to PQ65 the Council suggests that the 2022 LHNA *"...explored an alternative calculation, the outcome of which broadly coincided with the locally derived element of the standard method."*
- 2.16. The 2023 LHNA paper comes to its conclusion by comparing the rates of growth identified within the LHN calculation against the 2018- based subnational household projections. This is a departure from the 2022 version of the LHNA which also considered historic under-supply. The identified figure of 2,503dpa is based solely upon steps 1 to 3 of the LHN calculation. The 2023 LHNA suggests this figure would enable:
- 8,185 more households to form (from pent-up housing demand) and
  - 10,568 more households from net inward migration.
- 2.17. These uplift figures are based upon the 2018-based sub-national household projections, rather than the 2014-based sub-national household projections which form part of the relevant standard method calculation. It is considered neither useful nor justified to mix the household projections as they are based upon differing assumptions. The 2023 LHNA also fails to adequately consider the reasoning behind the Government's cities and urban centres uplift for the 20 largest cities and urban areas (Step 4 uplift). Whilst not explicitly stated it is clear, through a reasonable interpretation of the Government's rationale for the introduction of the uplift, that this was required to meet the wider needs of the country and meet the target of delivering 300,000 homes per year by the mid 2020s.
- 2.18. The alternative calculation is considered to be unsound as it is not positively prepared, effective, adequately justified or consistent with national policy. It should, therefore, be given little weight.

- 2.19. Furthermore, neither the 2022 or 2023 versions of the LHNA adequately consider whether further uplifts to the minimum housing need identified by the standard method are required. A non-exhaustive list of potential reasons are set out within the PPG (ID 2a-010-20190220). In the case of Bristol our client considers growth in the student population should also have been considered as contributing to further uplift.
- 2.20. The 2022 LHNA does not give any consideration to this issue. The 2023 LHNA seeks to 'plug' some of this evidential gap. The 2023 LHNA paper correctly identifies that the household projections do not assume any growth of students living in communal establishments (paragraph 5.61). This is an important factor as any net growth in students over the plan period will lead to additional housing demand. Whilst some of this demand will be met through Purpose Built Student Accommodation (PBSA) the LHNA and housing requirement should reflect this increase.
- 2.21. In terms of the delivery of the minimum housing requirement the PPG (Reference ID: 67-004-20190722) is clear that the supply can include consideration of how communal establishments contribute to the supply of housing. This is supported by the Local Plan, paragraph 6.67, which notes that student accommodation "...also contributes to the city's overall housing requirement...". This accords with the PPG.
- 2.22. It is, therefore, clear that student accommodation can in principle count towards an authorities housing land supply. This is, however, on the proviso that it relates to:
- the amount of accommodation that new student housing releases in the wider housing market (by allowing existing properties to return to general residential use); and / or
  - the extent to which it allows general market housing to remain in such use, rather than being converted for use as student accommodation.
- 2.23. In the case of Bristol, student numbers are forecast to increase significantly over future years. The 2023 LHNA (paragraph 5.56) suggests that The University of Bristol has plans to grow by 6,500 additional students by 2030. It is unclear how this information on net increase was derived as it is not clearly referenced, the relevant footnote to HESA data within the 2023 LHNA refers solely to enrolment up to 2021/22. The plan, paragraph 6.76 identifies a need for 8,800 bed-spaces from 2023 to 2040. The 'Managing the Development of Purpose-Built Student Accommodation Paper', April 2024 (PBSA Paper, ref: TPC006) identifies that this has been calculated from information provided by UWE in March 2023 and UoB in August 2024.
- 2.24. In contrast a report for the University of Bristol by Oxford Economics<sup>3</sup> highlights that student numbers are projected to increase within this university alone from 28,720 in 2020/21 to 37,000 in 2029/30. This is an increase of 8,280 students over a 10-year period, rather than the 17-years of the plan period. Based upon a ratio of 2.5 bedspaces per dwelling<sup>4</sup> this would relate to the need for on-average an additional 331 homes per annum above the figure derived from the standard method. This is based upon the projections for

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<sup>3</sup> Oxford Economics (2022): The Economic Benefits of the University of Bristol

<sup>4</sup> Bristol City Council (2022): Bristol Development Monitoring Report (page 17)

the University of Bristol alone<sup>5</sup>. As discussed above these additional numbers are not included within the household projections and ergo the standard method.

- 2.25. The 2023 LHNA identifies the pipeline of PBSA accommodation within Bristol. Identifying that 8,150 PBSA places are planned. Whilst this is not disputed, this is a supply factor which may, or may not, be delivered over the plan period. This does not negate the requirement to account for the additional need that the increase in student population will place upon the housing market within Bristol. This will ensure that the need and supply are both adequately taken into account and will ensure that PBSA is not used to offset the needs for homes generated by the non-student population.
- 2.26. The Council in response to PQ64 and PQ65 (EXA024) also refers to the consultation on the proposed changes to national policy of July 2024. The rationale for this is unclear. As discussed at Q2.1 the Plan is to be examined under the NPPF September 2023. As such the revisions to the NPPF and PPG are not consequential.

### **Housing Requirement and Capacity**

**Q2.3** *Is the requirement for an average minimum of 1,925 new homes per annum over the plan period to 2040 positively prepared and justified having regard to identified constraints, including but not limited to land availability, viability and infrastructure? In particular:*

**a) *Is the overall capacity figure of 39,798 dwellings based on a robust assessment of potential supply (including windfalls and 'urban potential')? Have all available sources of land for residential development been fully considered and robustly assessed?***

- 2.27. No, the Council is only planning to deliver 1,925dpa, this is 1,455dpa or 26,190 dwellings short of the identified minimum housing needed. This will have significant consequences for the residents of Bristol, making it much harder to find a home whether it be market or affordable housing. The immediate and obvious corollary of building less housing is less affordable housing at a time of greatest need as acknowledged in the Sustainability Appraisal.
- 2.28. The plan places a strong reliance upon brownfield sites. Whilst our client does not object to this focus this needs to have regard to all potential opportunities and delivery models. The Council's Strategic Housing Land Availability Assessment (SHLAA, ref: EVEH01) identifies that the Council has considered the following:
- Planning applications,
  - Pre-application enquiries',
  - Local Plan consultation responses,
  - Call for Sites opportunities,
  - Masterplan preparation, and,

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<sup>5</sup> Up to date figures for University of West of England where not identified at the time of writing

- Urban potential sites

2.29. Whilst these are considered appropriate sources the SHLAA does not appear to provide a detailed assessment of all available opportunities, including sites previously discounted. Given the significant gap between the identified housing need and requirement figures it is imperative that the Council seeks to exhaust all available opportunities. In doing so the Council should consider a balanced portfolio of sites ranging from city centre brownfield to sub-urban and fringe greenfield sites, including green belt releases.

2.30. The evidence base also does not adequately consider the role that differing forms of accommodation could play. For example Build to Rent (BTR) and Shared Living schemes can provide significant volumes through well-designed high density schemes in a relatively short space of time. However, of the areas identified in Central Bristol only Policy DS3: St Philip's Marsh specifically and positively references the appropriateness of BTR and none refer to Shared Living (Please refer to comments on Matter 4 for further details).

2.31. In failing to consider all options and types of accommodation the Council is not planning positively for the future of Bristol and not supporting the "Government's objective of significantly boosting the supply of homes..." (paragraph 61 NPPF). The Council should be seeking to minimise the amount of unmet need within its own boundaries. Where this cannot legitimately be achieved it should work with neighbouring authorities to meet its unmet needs. It should not be seeking to artificially suppress the housing requirement, as currently appears to be the case.

**b) Does the evidence demonstrate there are no other sustainable sites for residential development within the plan area during the plan period, including sites allocated or in use for other uses?**

2.32. No, as discussed above (a) our client does not consider all reasonable options have been considered.

**c) Is the Plan sufficiently proactive in seeking to maximise the delivery of residential development on appropriate sites, including those which may currently be in alternative uses (such as existing employment land)?**

2.33. No, as referred to the answer provided above (a). It should also be noted that Policy E5 Industry and Distribution Areas identifies that development involving the loss of industrial and distribution floorspace/land within these areas will not be permitted unless they relate to strictly defined uses identified earlier in the policy, or uses that are compatible with the industrial character of the areas.

2.34. Whilst the protection of such uses is understood, it should not be a blanket in-perpetuity protection. Other exceptions, such as residential use, should be accepted where it can be shown that the premises are no longer required or viable for continued employment use. It should also include exceptions where other policy documents include policies that accept the loss of such designated areas – for example in the 'Old Market Quarter Neighbourhood Development Plan 2015–2026' in which Policy B5 relates to the East of Midland Road, Old Market area.

**d) Given many allocations set out in Policy DA1 are for mixed-uses and contain only 'estimated' capacities, is there sufficient certainty about the scale of delivery envisaged from these sites?**

2.35. This is considered an outstanding issue for the Council to address within the Plan's drafting. However, please refer to our previous points relating to BTR and Shared Living at answer (a) above.

**e) In establishing the housing requirement, is the 15% 'headroom' figure justified?**

2.36. The Plan should seek to meet as much of the housing need as possible. This is particularly important given the scale of the identified shortfall between housing need and requirement figures. The topic paper (TPCO04, paragraph 2.4) identifies a potential supply of 2,211dpa over the plan period. The 15% buffer appears rather arbitrary and is not justified or considered reasonable.

2.37. Whilst we do not disagree with the Council that *"It is difficult to forecast the take-up of windfall opportunities or the build-out rates for permissions, development allocations and areas of growth and regeneration with absolute certainty."* (TPCO04, paragraph 2.6) this does not justify why a 15% buffer is required. The Council should work alongside the development industry and site promoters to clearly identify likely capacity on sites. This should consider all forms of accommodation ranging from standard family housing, BTR, older persons accommodation, co-living and student accommodation. This should assist in minimising uncertainty.

2.38. To ensure that the plan is positively prepared it should be setting its requirement as close to the identified need as possible. The 15% buffer only serves to artificially constrain this requirement. If the plan is failing to meet its identified requirement this would warrant a plan review or greater flexibility in decision-making.

**f) Have the effects of meeting the OAHN been robustly assessed?**

2.39. No, the Council has failed to consider the effects of meeting the identified housing need. It appears that the lower housing requirement was a 'fait accompli'. Our reasons for coming to this conclusion are that the SA (CSD004) only assessed two Options, these were:

- Option 1: Achieve an annual average minimum of 1,925 homes per year by 2040.
- Option 2: Achieve an annual average minimum of 1,925 homes per year by 2040, and exceed where this is supported by service and infrastructure capacity

2.40. Two further scenarios were assessed but dismissed as not being reasonable. These were:

- Assessed Scenario 1: Meet Annual Local Housing Need (approx. 2,500 dwellings).
- Assessed Scenario 2: Government's Standard Method calculation (approx. 3,380 dwellings).

2.41. The reason for their dismissal appears to solely relate to the identified land supply. In justifying this decision the Council refers to past rates of delivery rarely exceeding 2,000 homes. This is not a valid justification to dismiss these scenarios. In doing so the Council fundamentally fails to recognise that these past rates of delivery were influenced by a different policy context and a lower assessment of housing need. The LHN, through the introduction of step 4, also envisaged a step change in delivery for cities such as Bristol.

2.42. In addition, as discussed within our earlier commentary other potential sources of supply were available to the Council. It is, therefore considered that the effects of both scenarios

should have been considered as the Council has not demonstrated why it is sufficiently constrained not to be able to deliver more than the 1,925dpa currently proposed.

**Q2.4** *Further to the above, the response to PQ18 refers to sites suggested as part of the Regulation 19 consultation. This concludes that development is not ruled out by the local plan as they are not in any designations that would prejudice some form of development. Does this have any implications for the estimated capacity of the City, or the assumptions made relating to windfall or urban capacity?*

2.43. Whilst this is considered an outstanding matter for the Council to address, the answer must presumably be yes. If such sites provide the potential for additional capacity this should be factored into both the supply and the requirement.

**Q2.5** *Has the Council assessed the likely effects of delivering a higher level of housing within the Plan area?*

2.44. No, refer to Q2.3f above.

**Q2.6** *Having regard to the above, is there substantive evidence to suggest that the requirements of paragraph 11b of the NPPF, as set out above, have been met? What are the adverse impacts of seeking to meet the OAHN?*

2.45. No, paragraph 11b of the NPPF requires:

*“strategic policies should as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*

- i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*
- ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”*

2.46. In response to Q2.3f we clearly set out that the Council has not assessed the impacts of delivering the full housing need or clearly identified and articulated the constraints to development in the area.

**Q2.7** *Should the Plan set out the scale of unmet housing need and set out how the issue is expected to be addressed, including the role of other local authorities?*

2.47. Yes. To do otherwise is a clear soundness issue and a failure to adequately plan for the identified needs of Bristol.

**Q2.8** *To ensure compliance with paragraph 74 of the NPPF should the trajectory information provided be set out in the Plan?*

2.48. Yes, the housing trajectory should be included in the Plan in order to comply with paragraph 74 of the NPPF.

Town & Country Planning Act 1990 (as amended)  
Planning and Compulsory Purchase Act 2004

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