

North Somerset Core Strategy

Examination into the soundness of the consequential changes to policies CS6, CS14, CS19, CS28, CS30, CS31, CS32 and CS33

North Somerset Council response to Inspector's matters and issues for examination

Matter 2 – Housing calculation

Issue 2 – Is the Council's calculation of a residual requirement of 1,715 dwellings for the remainder of the plan period an appropriate figure to incorporate into the consequential changes to the policies?

1. The base date of the calculation of the residual requirement was April 2015; this was the latest available information at the time of undertaking the consequential changes consultation in November 2015.
2. The figures are set out in full in CC/07: Core Strategy Consequential Changes Consultation Document (November 2015), and summarised below in table 1.
- 3.

Table 1: Core Strategy housing requirement land supply position

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

4. Table 2 below provides a detailed breakdown of the categories of supply at that time by geography. Further details of the individual sites that comprise each category are available in the council's April 2015 land supply position statement (CC/23).

Table 2: Core Strategy housing requirement land supply position by area (April 2015)

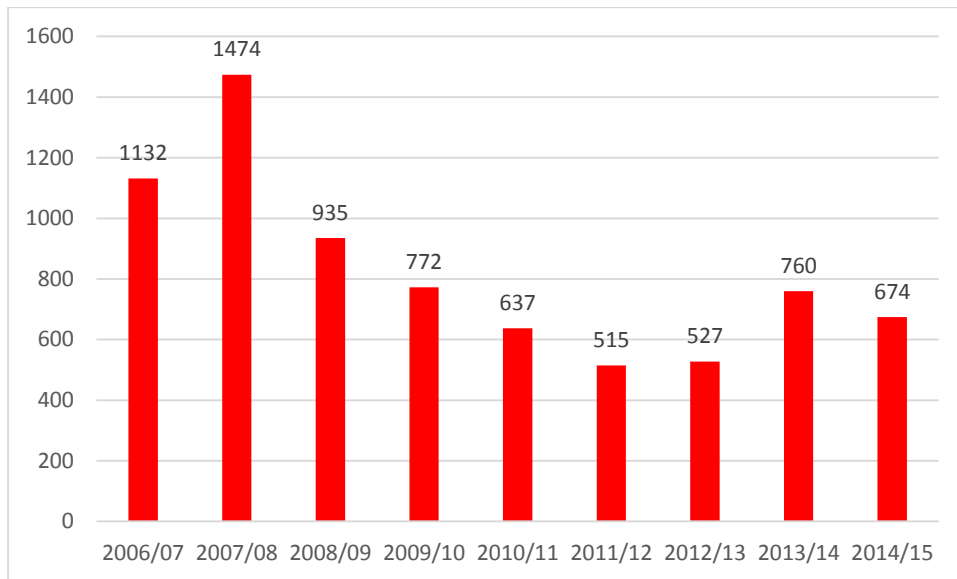
Area	Completions 2006-2015	Permissions as at 1 April 2015	Allocations (Replacement Local Plan)	Proposed allocations (Sites and Policies Feb 13)	Other identified sites with no significant constraints	Windfall allowance based on past rates	Total capacity identified	Residual to deliver (CS14)
Weston urban area	2,758	634	304	1,300	186	627	5,809	650
Weston Villages	372	4,778	1,100	0	0	0	6,250	250
Clevedon	288	160	10	0	70	134	662	350
Nailsea	123	85	0	464	44	51	767	
Portishead	2,746	222	20	0	145	64	3,197	
Service Villages	675	297	24	261	0	139	1,396	465
Infill Villages & Countryside	464	382	14	0	144	185	1,189	0
TOTAL	7,426	6,558	1,472	2,025	589	1,200	19,270	1,715

5. Each of the categories of supply as at April 2015 is summarised below in turn, in terms of their plan period potential, to clarify how the residual figure of 1,715 dwellings was arrived at. Five year land supply deliverability is dealt with separately.

Completions

Between April 2006 and 31 March 2015 there were 7,426 residential completions.

Chart 1: Plan period annual completions



Permissions

At April 2015 there were 6,558 residential units with planning consent (detailed or outline), or with a resolution to grant permission subject to a legal agreement. 4,778 of these units were at the Weston Villages strategic site, 634 across the Weston urban area, 467 within the other three towns, 297 in total across the nine Service Villages, and 382 elsewhere.

Allocations

372 units of capacity remained available at April 2015 on 9 sites that were allocated for residential development in the North Somerset Replacement Local Plan (2007) and still remain suitable for development in principle. A further 1,100 units capacity remained allocated as part of the Core Strategy Weston Villages strategic mixed use allocation.

Proposed allocations

2,025 units that were proposed for residential allocation in the Sites and Policies Plan Consultation Draft (February 2013) were still considered suitable for development in principle and have been rolled forward into the Site Allocations Plan Consultation Draft (March 2016). These sites are all within the towns and Service Villages, and are listed below.

Table 3: Proposed allocations from the Sites and Policies Plan Consultation Draft (February 2013)

Site	Capacity
Trendlewood Way, Nailsea	14
Land at North West Nailsea	450
Land west of Winterstoke Road, Weston-super-Mare	70
Birnbeck and environs, Weston-super-Mare	50
Land to the rear of Licking Road, Weston-super-Mare	10
Locking Road Car Park, Weston-super-Mare	80
Weston Rugby Club, Weston-super-Mare	100
Mead Vale Shopping Centre, Weston-super-Mare	40
Gas Works, Weston-super-Mare	200
Land south of Herluin Way, Weston-super-Mare	750
Yatton Station, Yatton	21
Moor Lane, Backwell	55
Woodborough Farm, Winscombe	185
TOTAL	2,025

Other identified sites

589 units were identified on previously developed land in locations that are consistent with the spatial strategy, have no significant constraints, and a realistic prospect of delivery. These eleven sites have since been formally assessed and all have been incorporated into the Site Allocations Plan Consultation Draft March 2016 (CC/10) as proposed residential allocations. Three of the sites now already have full planning consent, and three more have applications under consideration.

Windfall

A windfall allowance was calculated in line with the NPPG guidance, by taking an annual average for the first 9 years of the plan period and making a reduction to account for developments on garden land. The quantum expected per annum was then scaled up for the remaining 11 years of the plan period and a further reduction was made for the amount of small sites with a current permission, to avoid double counting. Finally, the total expected was indicatively split between the settlement hierarchy, based on previous trends. Further details on the Council's windfall calculation were published as part of the April 2015 Housing Land Supply Statement (CC/23). The level of windfall delivery by area each year are is below.

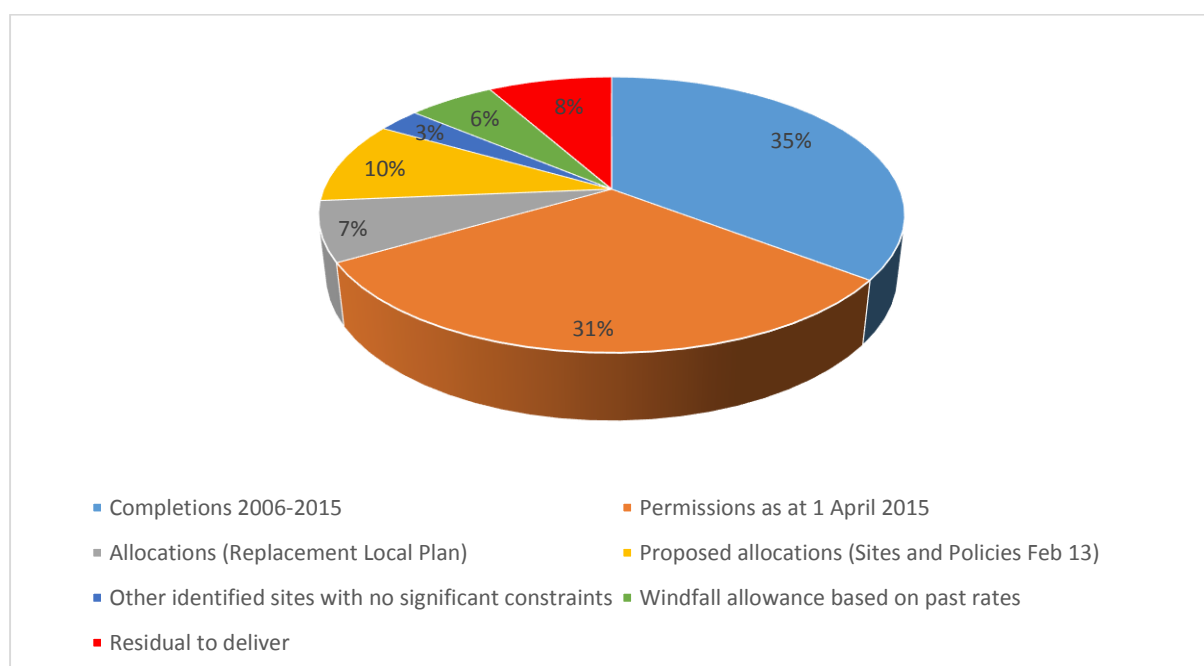
Table 4: Small site windfall delivery per annum, by area 2006-2015

	Clevedon	Nailsea	Other	Portishead	Weston	TOTAL
2014/15	8	9	56	8	72	153
2013/14	22	5	60	16	34	137
2012/13	20	16	46	8	25	115
2011/12	19	4	49	4	46	122
2010/11	9	2	44	3	54	112
2009/10	19	6	39	8	96	168
2008/09	-3	9	48	23	126	203
2007/08	52	9	58	10	163	292
2006/07	20	11	72	28	118	249
TOTAL	166	71	472	108	734	1,551

Residual requirement

Taking account of all of the categories of supply referenced above, it is the Council’s position that the residual requirement to identify further sites for, as at April 2015, was 1,715 dwellings: just 8% of the overall requirement.

Chart 2: Overall housing requirement split by completions, commitments and residual



- As a result of progressing the Site Allocations Plan in parallel with the Core Strategy consequential change, sufficient sites have now been proposed as allocations to deliver the shortfall, broadly in accordance with the indicative split of the 1,715 units.
- The Core Strategy Consequential Changes Consultation Document (CC/07) was produced in November 2015. This took account of the April 2015 residential land survey results and shared the residual 1,715 dwellings across the broad locations as set out above. Since then, work on the Site Allocations

Plan has continued and the consultation draft was published in March 2016. Whilst this still ties back to the April 2015 base date, it does allocate specific sites to deliver the overall housing requirement, and as such the totals per area are marginally different. The Site Allocations Plan capacity is set out below.

Table 5: Site Allocations Plan table of capacity to meet housing requirement

Area	Completions 2006-2015	Proposed allocations and large sites with planning permission	Other large sites with consent (not proposed to be allocated)	Small sites with consent	Windfall allowance (based on past rates – current small site capacity)	Total commitments
Weston urban area	2,758	2,764	104	121	627	6,374
Weston Villages	372	6,128	0	0	0	6,500
Clevedon	288	234	20	31	134	707
Nailsea	123	865	15	26	51	1,080
Portishead	2,746	409	38	46	64	3,303
Service Villages	675	1,247	17	54	139	2,132
Remainder of district	464	243	31	95	185	1,018
TOTAL	7,426	11,980	225	373	1,200	21,114

8. Since then, the Council has undertaken routine annual monitoring and an April 2016 updated position is also available (CC/26). This takes account of completions, new permissions, expired consents and commencements since the 2015 report. A comparison table is set out below.

Table 6: Comparison - Core Strategy distribution, Site Allocations Plan and April 2016 position

Area	Core Strategy Consequential Changes Consultation Statement (November 2015)	Site Allocations Plan Consultation Draft (March 2016)	April 2016 updated position
Weston urban area	6,459	6,374	6,365
Weston Villages	6,500	6,500	6,500
Clevedon, Nailsea and Portishead	4,976	5,090	5,067
Service Villages	1,861	2,132	2,133
Infill Villages, smaller settlements and countryside	1,189	1,018	1,095
Total	20,985	21,114	21,160

9. Given the level of detail required for Core Strategy purposes, the figures have remained broadly comparable. The current position anticipates that by 2026 the CS13 housing requirement would have been exceeded by 175 dwellings.

10. In order to ensure that the most up-to-date position is used, it may be prudent to consider the CS14 broad distribution figures again, now that the April 2016 results are available. If the April 2016 figures are rounded appropriately the anticipated broad distribution of the adopted 20,985 dwelling requirement could be set out as follows. These slightly amended figures, along with other factual updates to the numbers in the other remitted policies, could be considered as a main modification following the hearings.

Table 7: Potential update to CS14 distribution of the housing requirement

Area	Net additional dwellings 2006-2026
Weston urban area	6,300
Weston Villages	6,500
Clevedon, Nailsea and Portishead	5,100
Service villages	2,100
Other settlements and countryside	985
Total	20,985

Five year supply issues

11. When considering delivery of the housing requirement overall, maintaining a five year housing land supply is an important consideration. Issues around the detailed calculation of the five year supply in terms of the appropriate methodology and size of buffer were deferred at the CS13 inquiry to be dealt with in the context of the other remitted policies (Inspector's Report CC/04 paragraphs 60 and 61).
12. A number of representations have misinterpreted the comments in paragraph 9 of the Council's consequential changes consultation document (CC/07) to suggest that because the plan is due to be reviewed by the end of 2018 that the Council will only be looking to identify less than five years supply. This is not the case. The Council will need to annually update the five year supply position regardless of the stage reached by emerging local plan documents.
13. Delays resulting from the high court challenge have led to a considerable period of uncertainty in respect of the housing supply position. With the confirmation and adoption of the new housing requirement in September 2015, the Site Allocations Plan is being progressed in parallel with the Core Strategy examination, and planning permissions are being granted to support the supply position. This examination provides the opportunity to provide clarity on the appropriate methodology, buffer, and the current supply position.

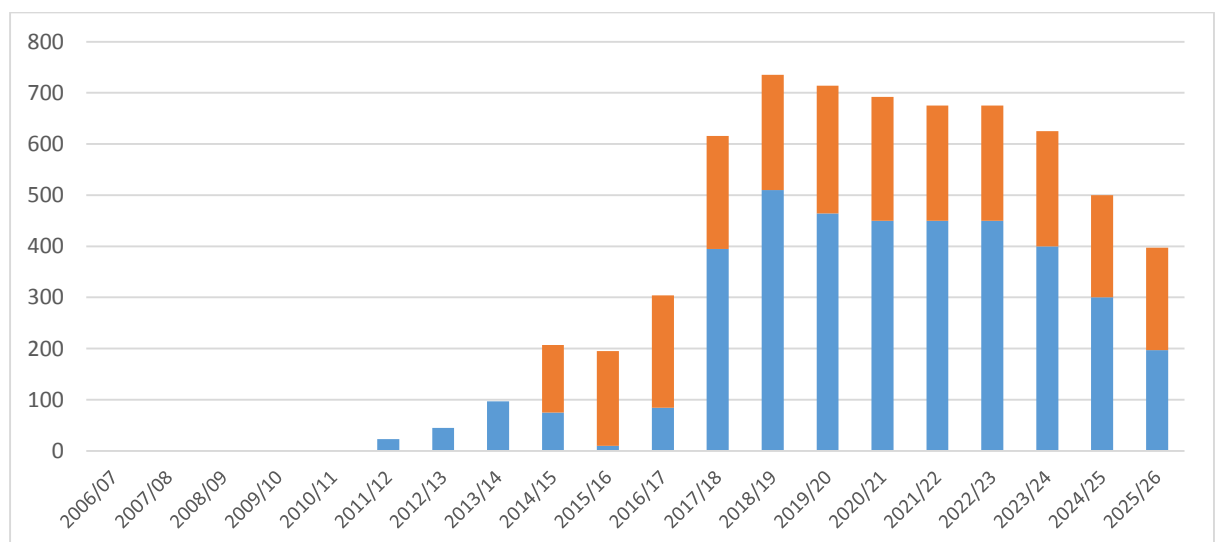
Five year land supply methodology

14. There are two recognised methods for calculating a five year land supply referred to as 'Liverpool' and 'Sedgefield'. The Liverpool method calculates the requirement by taking the plan period target, less completions, and splits the residual evenly across the remaining years of the plan period. The Sedgefield method splits the overall target into an annualised rate, assesses delivery each year against the annual requirement and allows for any shortfall accumulated to be accounted for within the next five years.
15. Given the situation in North Somerset where the housing target has increased significantly almost halfway through the plan period, the Council considers it is more appropriate to use the Liverpool method, for the reasons set out below.
16. Firstly, the uncertainty generated by the legal challenge resulted in delay to the plan making process which is now having to catch up following the recent re-adoption of the substantially higher housing requirement. The Council has needed time to identify the most sustainable sites to deliver the requirement and significant progress has now been made in this regard. The Council undertook a call for sites and produced a Housing and Economic Land Availability Assessment 2014 (MD/11) identifying sufficient capacity to meet the housing target. The sites that were identified as potential in principle have since been further assessed in the Site Allocations Plan Sustainability Appraisal Appendix 1 – residential site assessments (CC/14), and those sites

which comply with the settlement hierarchy and were considered the most sustainable are now proposed allocations in the Site Allocations Plan Consultation Draft (CC/10). Given the priority to restore the five year supply position, planning permissions have been granted on sustainable sites in parallel with the plan making process.

17. Furthermore, a significant proportion of the dwellings that are proposed (30% of the total) are planned for in the form of an urban extension to Weston-super-Mare, known as the Weston Villages development. Weston Villages is expected to deliver a total of 6,500 dwellings over the plan period, and 567 units have been completed to date. Due to different land ownerships, separate consents, the need to co-ordinate the delivery of strategic infrastructure (particularly flood mitigation and highways) and legal agreements for phases and long lead in times on this type of site, the peak in build rates is not expected to be reached until 2019. A trajectory for this strategic development area has been agreed between the Council and the developer's board, the Joint Delivery Review Board. This group has representatives from the Council and each of the landowners (Persimmon Homes, St Modwens, Mead Realisations and North Somerset Council), and they meet quarterly to discuss any matters arising such as housing and employment delivery and joint marketing. Regular monitoring updates are also presented to the board, and a housing trajectory is agreed and endorsed. The latest monitoring statement and agreed trajectory (CC/27) has a base date of April 2016 and was signed off by the board following their meeting on 27 April 2016. A copy of the Weston Villages trajectory is set out at Appendix 1 for ease of reference, and the basic trajectory graph is presented below.

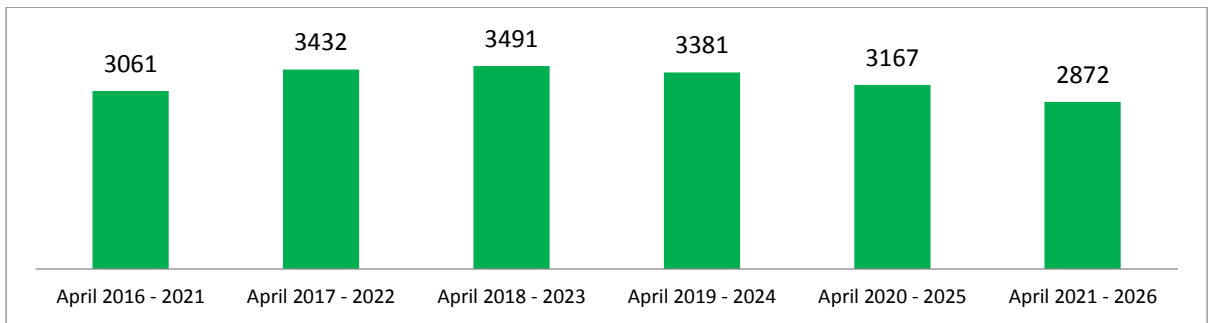
Chart 3: Weston Villages anticipated build rate 2006-2026



18. As can be seen from the trajectory, the first completions were not recorded until 2011, five years into the plan period. The build rate is expected to increase over the next three years, to a peak in 2019. This means that in each of the next two years, the amount of Weston Villages development

contributing to the five year supply will increase, as set out below. This will substantially boost and support the five year supply, and provides reassurance that a robust position can be maintained over the remainder of the plan period.

Chart 4: Weston Villages expected five year tranches

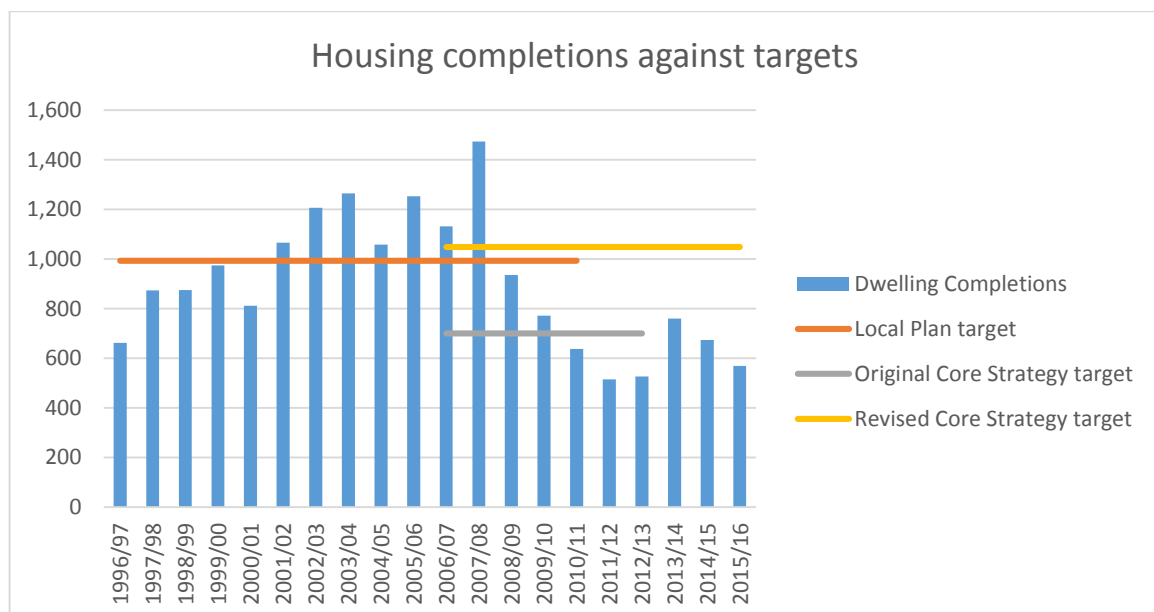


Buffer

19. The NPPF states that in order to boost the supply of housing in future years and deliver a wide choice of high quality homes local planning authorities should identify five years’ worth of housing against their requirement with an additional buffer of 5%, or 20% where there has been a record of persistent under delivery.

20. The NPPG provides further detail and states that ‘the assessment of a local delivery record is likely to be more robust if a longer term view is taken, since this is likely to take account of the peaks and troughs of the housing market cycle’. North Somerset does not have a record of persistent under delivery against adopted targets.

Chart 5: North Somerset housing completions against targets, 1996-2016



21. The previous Joint Replacement Structure Plan which covered the period 1996-2011 required delivery of 14,900 dwellings within the district, equating to an average rate of 993 per annum. Almost exactly the required number of dwellings (14,848 dwellings) were constructed within North Somerset during the time frame. There was no under-performance in relation to the adopted target up to 2011.
22. The original adopted Core Strategy 2012 contained a requirement of 14,000 dwellings or 700 dwellings per annum. This was the target being planned for at the time, and wasn't remitted until following the High Court Judgment in 2013. For two and a half years from March 2013 until confirmation of the new requirement in September 2015 there was no North Somerset adopted housing target. Furthermore, the new demographic projections and forecasting commissioned by the Council to inform the examination into the new CS13 housing requirement related to the period 2011-2026.
23. The Inspector's Report into Policy CS13 (CC/04) explains at paragraph 61 his conclusion that there was no substantial backlog built up during the 2006-2011 period:

'In most circumstances I would expect that the existing backlog in housing provision should be calculated from the beginning of the Plan period. In this case that would be 2006. However, the Council's evidence in the Edge Analytics Report only provides projections which run from 2011. Between 2006 and 2011 the Council has been, on average, meeting the housing targets set by other adopted Plans. There is no clear evidence before me to indicate that targets in the 2006-2011 period should have been higher or lower than the targets at which the Council was aiming to deliver. In these circumstances I cannot conclude that a substantial backlog had built up during the 2006-2011 period.'
24. Whilst it is acknowledged that a shortfall has arisen in the five years since 2011 when completions are analysed against the now known requirement figure, this does not constitute persistent under delivery. The period from 2011 does not cover a full economic cycle; it represents a period of gradual recovery from recession. It is also a period during which the Core Strategy housing requirement was remitted, leading to a change in the adopted target and uncertainty about its replacement until re-adoption in September 2015. Since then the Council has made rapid progress in respect of its detailed plan to identify sufficient land to deliver the 20,985 dwellings in full. In addition, housing supply during the latter part of the plan period will be significantly boosted by delivery at the strategic site at Weston Villages.
25. A 5% buffer for five year land supply is therefore appropriate in this case.

Calculation

26. The April 2015 five year land supply calculation (as set out in CC/23: five year land supply position statement April 2015) is set out below for ease of reference, using both the Liverpool and Sedgfield methodologies.

Liverpool

The plan period total requirement is 20,985.

The five year supply requirement as at April 2015 is calculated as:

$$\begin{array}{ccccccccccc} 20,985 & - & 7,426 & = & 13,559 & / & 11 & = & 1,233 & \times & 5 & = & 6,165 & + & 5\% & = & 6,473 \\ \text{Requirement} & & \text{completions} & & \text{residual} & & \text{years left} & & \text{annual rate} & & \text{years} & & \text{requirement} & & \text{buffer} & & \end{array}$$

20,985 plan period requirement

-7,426 completions to date

13,559 residual requirement

/ 11 years remaining

1,233 dwellings per annum required

x 5 years

6,165 five year requirement

+ 5% buffer (308 units)

6,473 five year supply requirement

Sedgfield

The plan period total requirement is 20,985.

The five year supply requirement as at April 2015 is calculated as:

$$\begin{array}{ccccccccccc} (1,049 & \times & 5 & = & 5,245) & + & 2,015 & = & 7,260 & + & 5\% & = & 7,623 \\ \text{Annual rate} & & \text{years} & & \text{5 year req't} & & \text{Backlog to date} & & \text{requirement} & & \text{buffer} & & \end{array}$$

1,049 annualised rate

x 5 years

5,245 five years annualised requirement

9,441 requirement to date (1,049 x 9 years so far)

-7,426 completions to date

2,015 backlog accrued

5,245 five years of annualised requirement

+2,015 backlog accrued

7,260 five year requirement

+ 5% buffer (363 units)

7,623 five year supply requirement

27. The five year supply requirement for North Somerset as at April 2015 was 6,473 dwellings when calculated using the Liverpool methodology. This is equivalent to an annual rate of 1,295 dwellings.

28. The five year supply requirement for North Somerset as at April 2015 was 7,623 dwellings when calculated using the Sedgefield methodology. This is equivalent to an annual rate of 1,525 dwellings.

Supply

29. At April 2015 the Council could demonstrate 6,644 units of supply, as detailed in CC/23: five year land supply position statement April 2015. This equated to 5.13 years of supply against the Liverpool requirement and 4.36 years against the Sedgefield requirement.

Updated supply position at April 2016

30. Significant progress has been made of the past 12 months with boosting housing supply and releasing sustainable deliverable sites. As required by the NPPF and in line with NPPG guidance, the Council produces an annual five year housing land supply position statement. Each statement has a base date of April, and is usually produced by the end of May that year following detailed survey and analysis work. The results from the April 2016 survey are summarised below, and detailed in the Residential Land Survey and five year supply paper (CC/26).

Liverpool

The plan period total requirement is 20,985.

The five year supply requirement as at April 2016 is calculated as:

$$20,985 - 7,995 = 12,990 \quad / \quad 10 = 1,299 \quad \times \quad 5 = 6,495 \quad + \quad 5\% = 6,820$$

Requirement completions residual years left annual rate years requirement buffer

20,985 plan period requirement

-7,995 completions to date

12,990 residual requirement

/ 10 years remaining

1,299 dwellings per annum required

x 5 years

6,495 five year requirement

+ 5% buffer (325 units)

6,820 five year supply requirement (1,364 annualised)

Sedgefield

The plan period total requirement is 20,985.

The five year supply requirement as at April 2015 is calculated as:

$$(1,049 \times 5 = 5,245) + 2,495 = 7,740 + 5\% = 8,127$$

Annual rate years 5 year req't Backlog to date requirement buffer

1,049 *annualised rate*
 x 5 *years*
 5,245 *five years annualised requirement*

 10,490 *requirement to date (1,049 x 10 years so far)*
 -7,995 *completions to date*
 2,495 *backlog accrued*

 5,245 *five years of annualised requirement*
 +2,495 *backlog accrued*

 7,740 *five year requirement*
 + 5% *buffer (387 units)*

 8,127 *five year supply requirement*

31. The five year supply requirement for North Somerset as at April 2016 is 6,820 dwellings when calculated using the Liverpool methodology. This equates to an annual rate of 1,364 dwellings.
32. The five year supply requirement for North Somerset as at April 2016 is 8,127 dwellings when calculated using the Sedgfield methodology. This equates to an annual rate of 1,625 dwellings.

Total supply expected within 5 years (April 2016)

33. The following table sets out the amount of housing at April 2016 expected from each type of site, and how many years supply this is equivalent to, against both the Liverpool and Sedgfield calculations set out above. The Council's position is that at April 2016 there is in excess of 5 years supply based on both the Liverpool and Sedgfield methodologies and a 5% buffer.

Table 8: Detailed five year land supply position April 2016

Category	Number of dwellings expected within 5 years	Equivalent number of years supply (Liverpool calculation)	Equivalent number of years supply (Sedgefield calculation)
Small sites with consent (up to 9 units net gain)	473	0.35	0.29
Large sites with consent (10+ units net gain)	1,952	1.43	1.20
Strategic sites	3,061	2.24	1.88
Local plan allocations	308	0.23	0.19
Emerging allocations	1,991	1.46	1.23
Small site windfall allowance (up to 9 units net gain)	212	0.16	0.13
Change of use from rural buildings	180	0.13	0.11
Empty homes	150	0.11	0.09
TOTAL SUPPLY EXPECTED	8,327	6.10	5.12

34. This position will continue to improve, as the Weston Villages build rate increases and work progresses on bringing forward the identified Site Allocations Plan proposed allocations.

Appendix 1: Weston Villages development trajectory - April 2016

RLS Reference	Planning application	Location	Developer/ Owner	Current consent status	Total number of dwellings	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
4/558a	09/P/1614/F	Locking Parklands Phase 1	St Modwen/HCA	Full consent	100	23	45	32	-	-	-	-	-	-	-	-	-	-	-	-	100
4/558b	12/P/0760/F	Locking Parklands Phase 2	St Modwen/HCA	Full consent	150	0	0	65	75	10	-	-	-	-	-	-	-	-	-	-	150
4/558c	13/P/0997/OT2	Locking Parklands future phases	St Modwen/HCA	Outline consent	1,032	0	0	0	0	0	0	60	125	125	125	125	125	125	125	97	1,032
4/558c(i)	15/P/1777/RM	Locking Parklands Phase 3	St Modwen/HCA	Full consent	168	0	0	0	0	0	34	60	60	14	-	-	-	-	-	-	168
4/558d	12/P/1266/OT2	Locking Parklands, south of Churchlands Way and Wolverhill Road	Mead Realisations	Outline consent	1,150	0	0	0	0	0	50	125	125	125	125	125	125	125	125	100	1,150
4/558e	-	Locking Parklands NSC	North Somerset	No current consent	750	0	0	0	0	0	0	100	100	100	100	100	100	100	50	-	750
4/558f	-	Locking Parklands Residual	St Modwen/HCA	No current consent	600	0	0	0	0	0	0	50	100	100	100	100	100	50	-	-	600
PARKLANDS VILLAGE TOTAL					3,950	23	45	97	75	10	84	395	510	464	450	450	450	400	300	197	3,950
Parklands Village cumulative					-	23	68	165	240	250	334	729	1,239	1,703	2,153	2,603	3,053	3,453	3,753	3,950	
4/568a	10/P/0756/OT2	Winterstoke Village Phase 1	Persimmon	Outline consent	242	0	0	0	0	0	0	0	100	100	42	-	-	-	-	-	242
4/568a(i)	13/P/0834/RM	Haywood Village, sub area 1	Persimmon	Full consent	269	0	0	0	132	135	2	-	-	-	-	-	-	-	-	-	269
4/568a(ii)	14/P/2723/RM	Haywood Village, sub area 2	Persimmon	Full consent	251	0	0	0	0	50	125	76	-	-	-	-	-	-	-	-	251
4/568a(iii)	15/P/2437/RM	Haywood Village, sub area 3	Persimmon	Full consent	95	0	0	0	0	0	50	45	-	-	-	-	-	-	-	-	95
4/568a(iv)	15/P/2570/RM	Haywood Village, local centre area	Persimmon	Full consent	43	0	0	0	0	0	43	-	-	-	-	-	-	-	-	-	43
4/568b	12/P/1510/OT2	Winterstoke Remainder	Persimmon	Outline consent approved subject to S106	1,650	0	0	0	0	0	0	100	125	150	200	225	225	225	200	200	1,650
WINTERSTOKE VILLAGE TOTAL					2,550	0	0	0	132	185	220	221	225	250	242	225	225	225	200	200	2,550
Winterstoke Village cumulative					-	0	0	0	132	317	537	758	983	1,233	1,475	1,700	1,925	2,150	2,350	2,550	
WESTON VILLAGES TOTAL					6,500	23	45	97	207	195	304	616	735	714	692	675	675	625	500	397	6,500
WESTON VILLAGES CUMULATIVE					-	23	68	165	372	567	871	1,487	2,222	2,936	3,628	4,303	4,978	5,603	6,103	6,500	

