

STROUD DISTRICT COUNCIL

EXAMINATION OF STROUD DISTRICT LOCAL PLAN

**WRITTEN STATEMENT ON BEHALF OF HARDWICKE COURT
ESTATE ON THE FOLLOWING ISSUE:**

**2. HOUSING AND EMPLOYMENT REQUIREMENTS
(Core Policy CP2)**

Does the Plan fully meet the objectively assessed needs for market and affordable housing within Stroud District over the Plan period, along with any unmet housing requirements from neighbouring authorities?

NPPF paragraph 47 sets out the imperative to boost significantly the supply of housing. This requires local planning authorities to use their evidence base to ensure the Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the Framework. In order to establish a clear understanding of housing needs in their area, local planning authorities are required to prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.

We find that the Plan is not consistent with national policy, and is therefore unsound, because Stroud District Council (SDC) has not undertaken an objective assessment based on a relevant market area. Stroud District is part of the wider Gloucester and Cheltenham housing market area (HMA) and the Plan's housing requirement should therefore reflect the full, objectively assessed housing needs of that HMA.

Furthermore, to compound our finding that the Plan is unsound, neither the 2009 SHMA (CD/B1) nor the 2013 draft SHMA Update for Gloucestershire (CD/B12) are compliant with the NPPF. The 2009 SHMA is out of date in its source evidence base (using 2004-based DCLG projections, 2007 data from the housing register etc). The 2013 draft Update, whilst admitting that it is not "*perfect*" (paragraph 8.10) establishes the objectively assessed need for the HMA from the individual local planning authorities, with the figure for Stroud District taken from the Woodhead Reports (CD/B7 and CD/B8) recommendation of 9,500 new dwellings (see paragraph 8.15).

The Strategic Housing Market Assessment

A robust SHMA based on an agreed HMA has to be the starting point for establishing the full, objectively assessed needs (OAN) for market and affordable housing in accordance with the NPPF. The purpose of the SHMA is to identify the overall housing requirement (the OAN) for the HMA which will then inform the housing requirement for each local authority. In this case, in the case of Stroud at least, the reverse is happening and flawed district figures are informing the SHMA. Conceivably the 2013 Update approach has allowed the local political nature of setting housing requirements to misinform the SHMA process, preventing the potential for identifying the true OAN.

Three other local authorities in the 2013 SHMA Update area – Gloucester, Cheltenham and Tewkesbury – are in the process of preparing a Joint Core Strategy (JCS), a draft of which has recently completed a round of consultation. The JCS authorities are clearly, and rightly, nervous about relying on the 2013 SHMA Update in that we are advised that they are commissioning further work on the SHMA, to provide additional information in respect of the HMA as a whole, to supplement their evidence base. As we understand it the areas of concern are:

- The definition of the HMA - is the County definition appropriate?
- Establishing the OAN for the HMA - whether the identification of this by the constituent local planning authorities was appropriate or compatible, or whether a separate HMA-wide assessment is needed?
- The adequacy of the SHMA Report to meet the Government's SHMA Guidance, including adequate stakeholder consultation?
- Implications for progress with the various Gloucestershire development plans in preparation.

Furthermore we cannot see that the 2013 SHMA Update has taken into account any migration projections.

Going forward, the Local Plan's purported housing requirement is based on a draft SHMA over which there remains considerable uncertainty. The housing figures that have been provided to the SHMA by Stroud (and other local authorities) has not been subject to independent examination or scrutiny and therefore the SHMA is predicated on the information given to it, rather than an independent assessment of need. This is particularly pertinent in respect of recent planning appeals that have held that emerging Local Plan targets that have not been tested at examination hold little weight. Therefore the use of untested evidence which has been held to carry little weight at appeals as the basis for the entire Gloucestershire SHMA is unsound. The SHMA fundamentally does not meet the requirements of the NPPF.

The Local Plan Housing Requirement

Notwithstanding the above, the Plan's stated housing requirement for the District ignores both the findings of the 2009 Gloucestershire SHMA and its 2013 SHMA Update.

The Woodhead Reports were prepared in order to support the Council's housing figures and only recommended adding 150 dwellings when the period was extended by 5 years. They are based on the District only and whilst correctly using the 2008-based DCLG household projections as a starting point (draft NPPG) they fail thereafter to take into account the need to accommodate the housing need of adjacent authorities and the 2013 draft SHMA Update's affordable housing requirement.

Additionally, the Woodhead Reports do not apply any assumptions of household formation or migration; nor do they carry out sensitivity testing with the exception of employment variables. The work applies a retrospective methodology in that it takes a variety of other projections and studies and uses these to justify the Plan's housing requirement.

The Plan's housing requirement figure (for the period 2006-2031) is a contrived figure which began life as the requirement for Stroud District in the Proposed Changes to the draft South West RSS for 2006-2026 (9,100 dwellings). That this figure was close to the figure for Stroud District in the DCLG 2008-based household projections (9,000) is co-incidental. A 3.8% vacancy/2nd home rate was added (350 dwellings) plus 150 dwellings to take account

of extrapolated figures based on Interim 2011-based household projections. It is therefore not a figure based on an objective assessment.

To highlight the point, the requirement for 9,500 dwellings in the Plan is only 400 dwellings higher than the Proposed Changes to the draft South West RSS which covered the period 2006-2026, some 5 years less than this Plan. Another way of looking at this is that the Plan period has been increased by 5 years yet the requirement has only been increased by 150 dwellings; effectively a reduction in the housing requirement without any rationale being given. It is unreasonable to assume that these 5 years will not generate more than 150 new households.

In our view the additional housing requirement should be extrapolated from the 2008-based projections to 2031, that is 11,146 with a rate of 3.8% for vacancies added, thus bringing it to a requirement of **at least** 11,570 dwellings (rounded) to meet Stroud's needs alone.

The Woodhead Reports use the DCLG Interim 2011-based Household Projections in support of the Plan's housing requirement figure. However many commentators have warned against relying on these projections as they are heavily influenced by the 2011 Census results, which in turn reflect recessionary influences and the effects of a long period of poor housing affordability. The 'Choice of assumptions in Forecasting Housing Requirements Methodological Notes' 2013 (CCHPR) prepared by the Cambridge Centre for Housing and Planning Research advises Councils not to use 2011 data to reduce housing numbers unless the actual household numbers in their area in 2011 were lower than projected and it can be argued convincingly that the shortfall was not due to short-term factors that would re-balance during the Plan period.

The 2008-based household projections only project to year 2021. There is no rationale for not extrapolating the 2008-based projections as per Figure 2 of the April 2013 Woodhead Report. Using the other projections merely continue the recessionary trends which do not account for pent up demand brought about by constrained supply; nor do they allow for post recession household growth and the potential for lowering of household sizes once affordability or mortgage availability improves. Indeed the CCHPR document states: *"It therefore seems likely that the changes seen in recent years are a departure from the longer term trends on which government projections are based and that a return to something closer to previous trends can be expected if and when economic conditions improve. We therefore suggest that it would be appropriate for local authorities to plan on the basis of household formation patterns assumed in the official projections unless there is strong local evidence to the contrary."*

However, whilst we agree that the starting point should be with the DCLG household projections (in this case the 2008-based Household Projections), taking the DCLG projection on face value cannot in itself be described as objectively assessing the requirement in terms of paragraph 47 of the NPPF. Household projections are one element of a much more complex process of objectively assessing need, which needs to consider such variables as market signals, prices and demographic structure. The only sensitivity testing undertaken by Woodhead is in respect of likely job forecasts taken from Cambridge Econometrics data

extracted by Gloucestershire County Council for 2011/12 and 2012/13. This data is not included in the Core Documents and so it is difficult to check its use; nor is it possible to judge how Woodhead has judged the impact of the improving economy on household formation.

Woodhead appears to be claiming that the Plan plans for sufficient home: jobs forecast, however it is wrong to assume that Stroud's household growth will be entirely related to economic growth, as living in such a well-connected District is an aspiration for many that work elsewhere, and also people move to the District for other reasons such as housing need not being met in adjoining authorities. It does not appear that the effects of migration trends or projections have been applied to test the requirement.

Furthermore, there is no justification for the Local Plan starting date of 2006, when a later date would be more relevant and appropriate. The 2006 date merely allows the Council to prop up its position by using what are now historic completions data to reduce its inadequate housing provision figure.

Affordable Housing

The Woodhead reports do not address whether the Plan's housing requirement is sufficient to meet the affordable housing need identified in the 2013 SHMA Update, which is estimated to be 578 dwellings per year (SHMA 2013 Update – Appendix A5, table A5.2). Notwithstanding our concern with the flawed 2013 SHMA Update, the Plan relies on few large sites, and those sites do not appear to have been independently tested in the Council's CIL Study (CD/C3) against infrastructure costs and financial planning. The delivery of affordable housing at the levels required can only realistically be achieved through a much wider range and choice of allocated housing sites.

There can be no doubt that the SHMA affordable housing need figure will not be achieved with the housing requirement set in the Plan. Thus it must be concluded that on this point alone, the Plan is not sound because it does not identify an objectively assessed need, nor does it meet the need identified in the SHMA, and therefore it is not positively prepared.

In the absence of an NPPF-compliant SHMA, our view is that the Local Plan should **at the very least** be making provision for a higher figure based on an extrapolated figure of the 2008-based projections (2006 to 2031), thus giving a requirement of 11,146 dwellings¹ (Source: calculation from 'What Homes Where' toolkit: <http://www.howmanyhomes.org/>). To this should be added the Council's rate of 3.8% for vacancies, thus bringing the requirement to 11,570 (rounded). This figure may of course increase once the full objectively assessed housing need has been properly established in due course.

¹ Source: calculation from 'What Homes Where' toolkit: <http://www.howmanyhomes.org/>

Cross-Boundary Housing Issues

The representations from the JCS local authorities demonstrate that there has not been effective cooperation to plan for cross-boundary issues, particularly as the SHMA transcends the local authority boundaries'. In the light of NPPF paragraph 181 this is a fundamental weakness of the Plan, and we draw attention to the following matters raised at the Pre-Submission consultation stage (September – October 2013):

- Gloucester City Council has objected to the Hunts Grove extension allocation;
- Tewkesbury Borough Council says that the Duty to Co-operate is not demonstrated in the Plan, nor does it show how the housing needs of the wider HMA have been considered. In particular Gloucester's housing need is currently proposed to be met in part by way of substantial allocations in the Green Belt between Gloucester and Cheltenham which are proving hugely controversial and are raising concerns about the coalescence of these major settlements.
- Cheltenham Borough Council wants the Plan to consider whether it can contribute towards Gloucester's needs and the wider Joint Core Strategy area's need.

We draw the Inspector's attention to the full content of these Pre-Submission representations.

The JCS for Gloucester, Cheltenham and Tewkesbury is progressing slowly and consultation on a recent draft has only recently taken place. The housing requirement is far from settled, with the evidence base indicating that the three local authorities will need to find sites for a further 5,000 dwellings on top of the housing requirement that it has identified in the draft JCS. The draft JCS itself shows a supply shortfall of 1,049 dwellings in Gloucester City Council's area over the period to 2031 (Table SP.2a, page 28). Furthermore, a significant component of Gloucester City's housing need is proposed to be met by strategic allocations in a critical part of the Green Belt between Gloucester and Cheltenham. The two allocations concerned – North Churchdown and South Churchdown – are identified as accommodating 1,068 dwellings, and together with a further allocation of 795 dwellings on a Green Belt site on the edge of Cheltenham (Up Hatherley Way), they are proving hugely controversial. There is considerable doubt as to whether the allocation of these Green Belt sites represents the best planning strategy. Therefore Gloucester's housing needs must be considered in a broader geographical context, taking full account of opportunities to accommodate sustainable strategic development to the south of the City where land is not constrained by Green Belt or other restrictive planning designations.

Stroud's Local Plan pays lip service to the issue of unmet need arising through the JCS process, and the promise of an early review does not reassure us that the Plan is playing its part in meeting the full, objectively assessed needs for housing in the HMA. In this regard, it is highly relevant that in April 2013 the Inspector for the North Warwickshire Plan found that: *"A plan which cannot be shown to meet the objectively assessed needs of an area cannot be sound and, consequently, I do not consider that it would be appropriate to defer housing matters to an early review of the core strategy"*. Gloucester's needs should be

accommodated in the Plan now and not rely on an early review, which is a means of simply avoiding the issue.

Housing Land Supply

If we accept the Plan’s housing supply assumptions (which we do not), but increase the requirement to 11,570 (source: see above) and add a 20% PUD buffer, we estimate that the Council’s 5-year supply has a shortfall of at least 1,105 dwellings and achieves only 3.34 years’ supply (see full calculation at Appendix 1).

We consider that the Plan is highly optimistic in its reliance on few large sites. In this regard we have looked at two major sites, namely the Lister Petter site and Colethrop Farm (Hunts Grove). The Lister Petter site (or Littlecombe - referred to in the Box Road, Cam appeal decision (PS/B8)), has an outline planning permission for 600 dwellings. In this case there is a condition on the permission limiting the occupation of dwellings to 100 before the spine road and link through to Long Street are completed. An application to register that part of the site through which the spine road will run, as a Village Green, is pending. If successful, the appeal Inspector noted that between 150 and 200 of the houses could not proceed. Other variables include a pending application to amend the condition to allow 130 dwellings before the road is built, and the continuing presence of Lister Petter on the site.

In terms of Colethrop Farm (Hunts Grove) we concur with the contribution up to 2015/16 but thereafter, we consider there would be a hiatus following the adoption of the Local Plan to allow for preparation of a new outline planning application which will be needed to re-plan the residue of the site to accommodate the Hunts Grove extension land (assuming the allocation is confirmed) and the relocation of the local centre to a more logical position. We have previously highlighted the risks of relying on the Hunts Grove site as a single delivery site whose output is by no means certain.

Our view of the 5- and 10-year position with regard Lister Petter and Hunts Grove is as follows:

	13/ 14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
Lister* Petter	40	40	20										
Hunts* Grove	99	26	69			76	120	155	180	200	220	210	200
Totals*	139	66	89	0	0	76	120	155	180	200	220	210	200
(prev Totals)**	139	66	89	136	200	235	260	236	220	210	200	0	0

* Aspect 360's figures of likely contribution from sites

** taken from A Review of Stroud District Council's Five year land Supply dated 17 October 2013

It will be seen that as far as the Hunts Grove site is concerned, actual delivery is likely to be some 300 dwellings less than assumed by SDC.

The Plan uses the correct methodology in dealing with past undersupply in that it applies the Sedgefield methodology to deal with it within the 5-year period, however the undersupply figure itself is inadequate and in any event, should be added to the 5-year requirement before the correct buffer is applied, and not as the Plan does, by adding it after.

We agree with the Inspector in respect of the Box Road, Cam appeal (paragraphs 38-40 Document PS/B8) that there has been persistent under-delivery; in our estimation for the last seven years and by some 453 dwellings (rounded). That Inspector noted the failure to meet 19.6% of the District Local Plan's requirement, concluding that the problem of under-delivery was not just an historic one, but one which was ongoing. The Judgment in **Cotswold District Council v (1) Secretary of State for Communities and Local Government (2) Fay and Son Limited [2013]** on this issue is relevant in that it states that "*the requirement is that there has been a record of persistent under delivery of housing (not a failure to meet the targets set out in the Structure Plan)*".

Thus a 20% buffer should be applied. As noted above, the 20% buffer should be applied to a figure which represents not only the 5-year requirement but also the past 5 year undersupply, which in our estimation is 2,767 dwellings. The 20% buffer (553) plus the 5-year requirement equals 3,320 (rounded), which equates to an annual rate of 664 dwellings per annum in the five years to 2018.

The Plan's housing land supply calculations apply a 10% non-implementation allowance to small site planning permissions however in our view this should be applied to all planning permissions regardless of their size.

In our view SDC does not have a 5 year housing land supply. Indeed, it can only demonstrate 3.34 years of deliverable housing against what is a much more realistic housing needs figure based on the current evidence. Therefore by definition the Local Plan must be found unsound.

Land at Hardwicke Court

We have explained in our representations at the Pre Submission stage of the Local Plan that additional sites for housing in Hardwicke should be allocated to ensure sufficient choice and flexibility for new housing development in this part of the District and to meet strategic growth needs. Land in the ownership of Hardwicke Court Estate (see Site Location Plan in Appendix 2) provides a deliverable opportunity for a sustainable extension to Hardwicke, being close to existing employment opportunities at Quedgeley Business Park, accessible to a range of facilities, and which can be well served-served by public transport.

This land is identified in Stroud's SHLAA 2011 Update Reports as sites 133/137 (Hardwicke Green). The land has a gross area of 55.14 ha, and the SHLAA indicates a yield of about 1,650 dwellings at a density of 50 dph. The land has been assessed by SDC as being suitable for residential development, available immediately and deliverable, which is reflected by the fact that the Estate is currently in detailed discussions with a national house builder regarding their development potential.

The Hardwicke Court Estate land lies outside the Green Belt and is visually remote from the AONB. As such there is nothing in the NPPF (see para 14) which would indicate that development here should be restricted. A technical pack of information is attached at Appendix 2 which demonstrates the deliverability of this land for housing based on an evaluation of its constraints and opportunities.

The land can be easily divided into smaller, phased plots, and the technical information demonstrates that it is available and achievable to meet the short and longer term full objectively housing needs of Stroud District, and any unmet needs of Gloucester.

Conclusions

The critical part of the evidence base – the SHMA – is flawed and requires further work. SDC cannot therefore have a clear understanding of its full housing needs.

Notwithstanding the shortcomings of the SHMA, SDC has sought to justify a housing requirement figure (9,500 dwellings) which is far too low, and which makes no allowance for the evident high level of affordable housing need. Based on the available evidence at this time, Stroud should be making provision for in excess of 11,500 dwellings to meet its own full needs, excluding any unmet need arising from Gloucester. Inevitably this means that SDC need to be prepared to make further strategic allocations.

There has not been effective cross-boundary work in respect of housing issues. The full needs of the local authorities within the SHMA area need to be clearly understood to ensure the most appropriate planning strategy for the delivery of housing. This will require the identification of land for residential development to the south of Gloucester to meet what we consider should be a substantial housing requirement arising from the JCS process.

SDC as a PUD authority cannot demonstrate 5 years supply of deliverable housing land.

The Local Plan is not positively prepared, is not effective, and is not consistent with national policy, for the reasons set out in this Statement.

The Hardwicke Court Estate land is a deliverable, available and achievable site that will assist in meeting Stroud's full OAN and a quantum of Gloucester's housing needs in a sustainable manner. We invite the Inspector to find accordingly and include it as a strategic housing allocation in the Local Plan which is capable of accommodating in the region of 1,650 dwellings.

APPENDIX 1

**ASPECT 360 CALCULATION: STROUD 5-YEAR HOUSING LAND SUPPLY 2006-2031
(25 years)**

a	Requirement 2006-2031²	11570
b	$a/25$	462.8
c	$b \times 5$ (5-year requirement)	2314
d	Completions 2006-2013 (7 years) ³	2787
e	7-year requirement ($7 \times b$)	3239.6
f	Cumulative shortfall ($e - d$)	452.6
g	Shortfall plus 5-year requirement ($f + c$)	2766.6
h	PUD buffer (20% of g)	553.32
i	5-year requirement ($h + g$)	3319.92
j	Annual 5-year requirement ($i / 5$)	663.98
k	Supply 2013-2018⁴	2215
l	5-year supply Shortfall ($i - k$)	1104.92
	Years' supply calculation (k / j)	3.34 years

² 2008-based household projections plus 3.8% vacancy etc rate

³ Core Document CD/B6

⁴ Core Document CD/B6

APPENDIX 2

HARDWICKE COURT

Land in the ownership of the Hardwicke Court Estate provides a deliverable opportunity for a sustainable extension to Hardwicke, being close to existing employment opportunities at Quedgeley Business Park, accessible to a range of facilities, and which can be well served-served by public transport.

The land has a gross area of 55.14 hectares, and the SHLAA indicates a yield of about 1,650 dwellings at a density of 50 dph. The land lies outside the Green Belt and is visually remote from the AONB; it has been assessed by SDC as being suitable for residential development, available immediately and deliverable.

The following documents are attached:

1. Site Location Plan;
2. PFA Consulting Report dealing with technical issues of Highways and Drainage;
3. Richards Partnership Landscape and Visual Appraisal;
4. RPS Ecological Appraisal;
5. RPS Historic Environment Appraisals for the Land South of Sellars Farm and Land West of A38, which together form the subject site.

The reports confirm that:

- There are no highway or drainage reasons why this land should not be developed for housing;
- In landscape and visual terms the site has the capacity to accommodate additional built form without giving rise to significant landscape or visual effects to the identified receptors;
- While there are likely to be a number of protected species issues, this will not preclude residential development incorporating well designed green infrastructure making use of retained features, particularly the hedgerow and Shorn Brook, which could be significantly enhanced to deliver biodiversity gain and an attractive and pleasant living environment;
- There are no World Heritage sites, Scheduled Ancient Monuments, Registered Parks and Gardens of Special Historic Interest, Registered Battlefields or Conservation Areas in, within or adjacent to the site. The setting of individual listed buildings needs to be respected however there are no heritage interests that would preclude the development of the land for housing.