Error in allocation between Housing Market Areas

The JSP fails the test of soundness because it fails to set out the correct way to meet the needs, as allocated between the two Housing Market Areas within the region, and because it fails in the Duty to Cooperate with neighbouring Local Authorities that comprises the wider West Wilts / North Mendip tier 1 HMA.

The definition of a functional housing market area is well-established as being “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” (Maclennan et al, 1998).

In its Strategic Housing Market Assessment Update (2013), Bath and North-East Somerset (BANES) concluded as follows:

“The city of Bath, its environs and the south of BANES areas form a (Tier 2) local housing market which also extends to a small extent into Wiltshire and villages in the north of Mendip. CLG (2010) suggest that the Tier 2 Bath market belongs more to a larger East BANES /West Wiltshire/ North Mendip (CLG Tier 1 strategic/framework housing market) than the Bristol market.

The review of the Housing Market areas has considered the degree of connectivity and self-containment between the various urban centres around BANES and Bristol. From this it can be seen that the west of BANES falls within a Bristol focused housing market (which also covers the whole of North Somerset and South Gloucestershire), as well as extending into the fringes of Somerset, Gloucestershire and Wiltshire.

2.16 The city of Bath, its environs and the south of BANES areas form a (Tier 2) local housing market which also extends to a small extent into Wiltshire and villages in the north of Mendip”

In other words, the Local Authority of BANES is in two HMAs – the western half in the Bristol HMA, and the eastern half is a ‘tier 2’ HMA within the wider West Wilts / North Mendip HMA:

The NPPF states in para 47 that the Local Authority must “ensure that their Local Plan meets the full, objectively assessed needs for.....housing in the housing market area”, and goes on to state in para 159 that they should “work with neighbouring authorities where housing market areas cross administrative boundaries”. However, the JSP has been prepared to suit the convenience of alignment with Local Authority boundaries, allowing projected supply in the Bristol HMA to satisfy demand in the Bath tier 2 HMA, and fails the duty to cooperate with West Wilts / North Mendip to attempt to produce a plan for their collective HMA, which is the geographical area in which a substantial majority of the employed population both live and work.
In the first stage of the consultation for the JSP the four Authorities within WEJA correctly worked together to assess demand and outline supply strategies for the Bristol HMA. Then, without explanation (other than the presumed convenience of working within LA boundaries) the second stage of the consultation added in the tier 2 Bath HMA. This came with a housing requirement projected for the Bath HMA at 13,500 but almost no house build proposals (300 in Bath Urban and possibly some of the 3,400 to be put in the villages to enable communities to thrive throughout the 4 authorities). It can therefore be seen that supply of 13,000 or more houses within the JSP were now introduced within the Bristol HMA in order to satisfy demand in the Bath HMA. We believe it was no coincidence that at this moment in the process a new strategic development for 3,000 houses in Buckover came out of the blue (Towards the Emerging Spatial Strategy Document 2016: “the opportunity for a new free-standing settlement has been explored. Through the Issues and Options consultation a garden village of Buckover to the east of Thornbury was identified”).

An extract from the table shown in the previous section reveals that a higher percentage has been applied in the Bath HMA (15%) compared to the Bristol HMA (10%) in calculating the “market signals” element of the housing need:

<table>
<thead>
<tr>
<th>Further adjustments needed...</th>
<th>Stage</th>
<th>Wider Bristol HMA</th>
<th>Bath HMA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>In response to market signals</td>
<td></td>
<td>10% x 77,300 = 7,700</td>
<td>15% x 11,100 = 1,700</td>
<td>9,400</td>
</tr>
<tr>
<td>Combined impact of the identified adjustments</td>
<td></td>
<td>7,700</td>
<td>1,700</td>
<td>9,400</td>
</tr>
</tbody>
</table>

This acknowledges that there is a different market dynamic between the two HMAs, with the Bath HMA having a more pressing need for demand to exceed supply. Having recognised this differential need what is the point of then building almost all of the housing in the Bristol HMA? Note, it is not just Bath HMA’s “market signals” adjustment that is proposed to be built in the Bristol HMA, it is almost the entirety of the Bath HMA demand that is proposed to be built in the Bristol HMA.

There can be no doubt that a better spatial strategy is one in which the demand and supply for housing is self-contained within each HMA – that is the point of an HMA. However, there has been no attempt to do so within this JSP, either by attempting to balance supply and demand within each of the two HMAs, or by cooperating with neighbouring Authorities to provide a balance within the wider West Wilts HMA. Instead, the JSP operates on the basis of administrative convenience of operating within Local Authority boundaries to produce a completely illogical conclusion of almost zero supply within the Bath HMA.

This plan is therefore unsound both in terms of the underestimated supply for the residents of the Bath HMA, and the overestimated supply for the residents of the Bristol HMA.
Q4. Please set out what modification(s) you consider necessary to make the Joint Spatial Plan legally compliant or sound, having regard to the matter you have identified at Q3 above where this relates to soundness. (Please note that any non-compliance with the duty to co-operate is incapable of modification at Examination.) You will need to say why this change will make the Joint Spatial Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible:

The current excess of OAN identified for the Bath HMA over the small amount of housing growth set out for the Bath HMA should be satisfied in the following sequence:

1. Re-examine the potential for development in the parishes and towns within the Bath HMA, including 8 parishes and towns including Norton Radstock that were lumped together as Sommer Valley (which is where one of the new employment zones is proposed). Only to the extent that all demand cannot be satisfied here then,

2. Fulfil the duty to cooperate by working with West Wilts and North Mendip to derive a balanced plan within the wider tier 1 HMA. Only to the extent that all demand cannot be satisfied here then,

3. Any spill-over in supply into the Bristol HMA should be expressly identified, and then focussed in locations with the best public transport options between the two HMAs.