

HEARING STATEMENT ON BEHALF OF COTSWOLD HOMES

Stroud Local Plan Review Examination Matter 3: Housing Need and
Requirement

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REPORT

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MATTER 3 HOUSING NEEDS AND REQUIREMENT

This Statement has been prepared by RPS on behalf of Cotswold Homes LTD (“CH”) in respect of their interests in ‘Land at Bath Road, Leonard Stanley’.

Issue

- 1.1 *Is the identified housing need supported by robust and credible evidence, justified and consistent with national policy?*
- Q1) The capped standard method minimum figure in the plan at 630 dpa is lower than the 638 set out in the LHNA. Can the council point us to the document that sets out the reasoning for this please?**
- 1.2 The Council needs to be guided by its own evidence, as required by Paragraph 31 of the National Planning Policy Framework (“NPPF”). It is clearly stated that the required housing need calculated through the standard method in Gloucester Local House Needs Assessment (“LHNA”) [**Exam EB10: Figure 14**] is capped at 40% in line with national policy at 638 dwellings per annum (“dpa”).
- 1.3 There is no clear justification that RPS can see to move to the lower figure of 630 dpa. An upward adjustment of the figure in the plan (CD1: Table 2) results in a housing need requirement of 12,760 homes rather than the accounted for 12,600, or an additional 160 dwellings across the plan period. This is the default position which should be taken, consistent with the Council’s own evidence base.
- 1.4 The Planning Practice Guidance (“PPG”) sets out (2a-008-20190220) that policy making authorities should keep the housing need figure under review and revised where appropriate. Here it is noted that when benchmarked to the latest data (households between 2023-2033 and 2021 affordability ratios, the output of the standard method would see the increase from 638dpa to 660dpa. The cause of this increase is led by increasing house prices, which has further imbalanced Stroud’s housing affordability. The same paragraph of the PPG goes onto say that the output of the standard method used in the plan *may* be relied upon for two years following submission for examination. That two-year mark will come around in October 2023, however RPS consider that this remains a prudent indicator of the housing pressures in the District. Given the likely time required to see this plan to adoption, RPS would strongly advise that the proposals are rebased to the 660 figure, which is reflective of more up to date local evidence.
- Q2a) As the LHNA identifies a higher housing need above the capped level, what arrangements do the council have for ensuring that this is planned for as soon as is reasonable? Is this clearly set out in the plan?**
- 1.5 In short, it does not appear that the Council has made any plans to plan for this figure. As stated, the cap limits the uplift to the baseline requirement in the LHNA [**Exam EB10: Figure 14**], however, the uncapped housing need is 652 dpa which produces a higher requirement of 13,040 homes. As set out in Paragraph 2a-007-20190220 of the Planning Practice Guidance, the cap reduces the minimum number generated by the standard method but does reduce the housing

need itself. Consideration should therefore be given to meeting the uncapped figure through this plan, to avoid having to undertake an early review of relevant policies.

1.6 Stroud is an area of high housing need and it falls to the Council to meet the housing requirements of residents. Furthermore, it has to contend with a rapidly ageing population, with a forecast increase in households aged 65+ representing over 80% of total population growth [**Exam EB10:6.6**].

1.7 Paragraph 10 of the PPG(ID:2a-010-20201216) for Housing and economic needs assessment clearly states that the standard method “provides a minimum starting point in determining the number of homes needed for an area... therefore there will be circumstances where it is appropriate to consider where it is appropriate to consider whether actual housing need is high than the standard method indicates”. CH believe that this is demonstrably the case in Stroud, where affordability pressures would support the delivery of additional housing.

Q2b) Whilst our queries on housing provision are set out under a later matter, we note that this evidence suggests that housing supply as of 2020, equated to 14,935 dwellings. On this basis has consideration been given to a higher level of housing need being set out in the plan and could this realistically be delivered during the plan period?

1.8 The Council’s Topic Paper: Housing Needs and Supply [**Exam EB 8:2. Paragraph 11**] states that the “oversupply of 18.5% above the minimum housing requirement of 12,600 dwellings...will provide a healthy headroom and flexibility to provide certainty that the District’s housing requirement will be met for plan period”.

1.9 It is clear from this statement that the Council consider that the supply remains healthy, however . It appears that the Council has worked backwards, taking their housing supply and providing the lowest possible housing need in the period to provide as much of a gap between the two figures as possible to ensure a demonstrable and sustainable supply buffer, rather than proactively provisioning for future requirements of the district based on what is realistically feasible in the lifetime of the review.

1.10 As discussed in the response to Q.1, the uncapped level of housing need at 652 dpa was produced by the LHNA [**Exam EB10**] which the Council could have chosen as their baseline in line with the recommendations of the PPG. Although the Council were aware of this figure, it has not been an option tested through the Sustainability Appraisal (“SA”).

1.11 This is somewhat perverse, given the SA considered an alternative figure higher still than the capped amount. As indicated in the SA [**EXAM CD3b, p.815**], the Council has explored an option for an increase to 786 dwellings per annum, however it is unclear why this other appropriate alternative figure has not been tested.

Q3. What Progress has been made to finalise the above (Gloucester) SOCG and submit a signed version

1.12 CH observes that a signed Statement of Common Ground (“SoCG”) has yet to be submitted as part of the Examination Library. As indicated in the Duty to Cooperate Statement [**EXAM EB3, Paragraph 4.6**], a Draft Gloucestershire SoCG was approved by the Council’s Environment Committee in September 2021. Although not part of the Examination library, the key headlines from that statement are set out in **EXAM EB3**. In respect of housing, Paragraph 5.8 recognises that the delayed Joint Core Strategy would have enough land to meet its housing need until around 2028/29, however would need further options beyond this period. Here, the SoCG recognises that whilst it is for Gloucester to identify how its needs should be met (Paragraph 5.12), to avoid delays in plan making, Stroud has determined that safeguarded land should be provided, if such a need arises (Paragraph 5.12 refers).

Q4. Based on the submitted evidence are correct in our understanding that Gloucester City’s housing needs, housing land supply and level of any unmet housing needs have yet to be confirmed and examined? How far have these assessments progressed?

1.13 CH notes that Gloucester has a long history of being unable to meet its housing need within its own boundary. It is a city heavily affected by green belt policy and has little room for expansion within its own boundary. In respect of the Cheltenham, Gloucester and Tewkesbury Joint Core Strategy, the strategy notes that Gloucester *“has a good of supply of land... to meet its requirements to at least 2028/9” as part of the plan review, it will require further development through the DTC in Tewkesbury Borough to the north of the city or Stroud to the south*”. Given that historically Gloucester’s housing need has been met by Tewkesbury, it appears reasonable to prevent over-development to the north of the city, that some land to its south and west comes forward for development.

1.14 The Gloucester City Plan (“GCP”) has now been adopted and confirms the above statement regarding sufficient supply for the next 4-5 years. However, this is highly dependent on JCS strategic allocations, which make up around a third of supply (GCCP:3.4). Notably, in their latest published position, neighbouring Tewkesbury Borough Council is now claiming ownership of these sites within its five-year housing land supply, following the fifth anniversary of the JCS in November. Whilst CH understands that this approach is being contested at appeal, this approach could see a desolation of Gloucester’s land supply position.

1.15 Appendix 1 of the GCP states that in the years 2026-2028, the housing numbers below the requirement will briefly be in line with the overall supply, with a shortfall of only 458 cumulative dwellings in 2027-28, before the shortfall drastically increases by 2030. This is the likely indicative period within which the housing need of Gloucester will require further additional support from Stroud and other neighbouring authorities.

Q5. What state is the JCS review currently at and what is the timetable for its production and examination?

1.16 The JCS remains at an extremely early stage despite six years having elapsed since its adoption. No significant updates have occurred since the issues and options consultation was carried out in October 2018.

1.17 There is presently no timetable for the completion of the plan review. This places pressure on the delivery of sufficient land supply for Gloucester City through other authorities (than Stroud) in the medium to long term.

Q6. The Plan States that 2017 adopted JCS recognises that ‘Gloucester City has a good supply of land for the short to medium term that will enable it to meet its requirements to at least 2028/9. National policy states that local plan policies are required to be reviewed within five years of the adoption of a plan. In this context, and if the level of any unmet housing need is uncertain at this stage, why does the council consider it necessary to allocate/safeguard land that may or may not be required?’

1.18 As indicated above, despite claims of a strong position, Gloucester’s land supply may be more precarious than presented in the short term. There is a good reason to identify land to address Gloucester’s housing need now. This could be through the form of allocations, or through safeguarded land.

1.19 Whilst CH agrees with the principle of meeting Gloucester’s unmet need, CH is not overly convinced that Waddon is the only option available. Though the Council has identified safeguarded land at Waddon, it is noted that an allocation of 1,350 dwellings has been made to Hardwick. It is not clear to CH why this proposal cannot contribute towards Gloucester’s need, given the proximity to the City, and the plain fact that Hardwicke is a suburb of Gloucester.

1.20 The afforded allocations to Gloucester should be significantly greater, and significantly more formalised than the present proposed arrangement. It is the view of CH that the site of Whaddon is not the only appropriate site to meet Gloucester’s unmet need. Effectively, there is a second urban extension to Gloucester in the proposed SDLPR, Land at Hardwick (G1), an allocation with the capacity for 1,350 dwellings. Hardwicke is described in policy CP3 is defined as part of Gloucester’s rural fringe. It has excellent connectivity to Gloucester, “which acts as a major strategic provider of services facilities and employment.” (p.137).

1.21 **Q7. Provision for designating the safeguarded land is set out in paragraph 143 of the Framework and is in relation to the removal of land from the Green Belt. The site proposed to be safeguarded under Strategic Site Allocation Policy G2 is not in the Green Belt. The safeguarding of land would normally imply that, at least in principle, the development of the site was justified. But the caveats in the policy mean that determining whether the site is justified or not, will be determined at a later date. Yet confusingly the site is also identified within a strategic site allocation policy. Can the council clarify its position on this and explain how its approach in the Plan in this regard is Justified, effecting and consistent with national policy?**

1.22 The lack of clarity regarding this site is indeed a source of confusion given that the duty to co-operate statement has yet to be finalised and signed by both parties [EXAM: EB3]. In the absence of a formalised negotiation of housing need any site should be reserved at this time rather than safeguarded as a strategic allocation. It should also be ensured as meeting Gloucester's need.

Q8. When will it be determined whether the site at Whaddon would be required and when would it consistent with the approved strategy review? Would this be at the adoption of the JCS review? Does the plan clearly set this out and does this justify the need to allocate/safeguard this site now?

1.23 Given the lack of a timetable for the completion of the JCS review, it would appear favourable for Stroud to sufficiently allocate supply to meet a proportion of Gloucester's requirement now in a positive fashion.

1.24 It would therefore be more prudent to use land South of Hardwicke, a more thoroughly assessed site in the plan to meet Gloucester's need, as it ensures a greater level of security to inform the formation of the JCS and a clearer process towards delivery than the 'safeguarded' site at Whaddon.

Q9. Overall is the inclusion of land at Whaddon to meet the needs of Gloucester justified effective and consistent with national policy?

1.25 This quasi-allocation (G2) correctly identifies the need for Stroud to plan for meeting some of Gloucester's housing requirements. However, CH are concerned it is inadequate in its provision through its lack of formalisation, especially in the context of the high likelihood of Stroud having to meet the need of Gloucester in the absence sufficient progress in the JCS.

1.26 In the view of CH this amounts to a deferral of the matter to a later date in the process of the JCS review to decide the future of the site, rather than actively planning to meet Gloucester's need which is identified as a matter of significant importance in the duty to co-operate statement (EB3).

Q10. Is the identified housing requirement of at least 12,600 additional dwellings justified and consistent with national policy? Does the plan clearly set out in policy both the overall housing requirement for the plan period, and the requirement that applies in each year of the plan period?

1.27 No, this is not the case.

1.28 As evidenced in earlier responses, the plan uses a figure below that set through the standard method the LHNA [EXAM EB10:Figure 14]. There is significant evidence that there is a housing need in the district

Q11. In a similar vein to question 2 above, has consideration been given to a higher housing requirement to assist in meeting identified housing needs above the cap? Is this a realistic approach?

1.29 Clearly consideration has been given as the LPA has practically planned for an existing supply of significantly more homes than the identified housing need used in the plan. This could be seen a cynical approach to realism.

Q13) The plan states that there is an unadjusted need for affordable housing of 424 dpa. This appears to have been established through the LHNA which identifies a total affordable housing need of 8,476 dwellings in the district for the period 2021-2041. Is our understanding correct?

1.30 Stroud district suffers from an acute housing affordability crisis. In 2021 the average house price was 10.27 times that of the average earnings¹. Notably, this is already a considerably higher figure than when the LHNA was carried out in 2020, when the affordability ratio was 8.4%. As stated, the LHNA assessed the total affordable housing required at 8,476 or 424 per annum with 3,291 planned to be delivered through the plan (Figure 62) or 165 per annum.

1.31 Given the projected housing supply of 14,935 dwellings, if a 30% ratio was met, only 4480 affordable homes would be built across the plan period, or 224 dpa. This is not sufficient to address the housing needs of the district.

1.32 Meeting affordable housing requirements across the district is simply not possible presently with the current housing requirement. If this requirement (or 424 per annum) was built into the plan period as a 30% ratio of the total housing need, the number of dwellings required to be built would be significantly greater at approximately 28,000 homes. This discrepancy between housing need and housing requirement is ultimately unsustainable for the district in the long term and although this may require some departure from the standard method, it is clear that greater housing numbers could be allocated through deliverable short-medium-term sites such as Land North of Bath Road as per paragraph 68 of the NPPF.

1.33 This effectively demonstrates that affordable housing will not be built at a rate remotely efficient enough to meet the vital requirements of many of the district's residents and confirms that more homes need to be delivered through the plan. This is all whilst assuming that affordability ratios do not further worsen over the delivery period of the plan.

16) To provide clarity for future decision-makers the Plan should clearly identify and distinguish between objectively assessed housing need, the standard method figure, the housing requirement and the provision in the housing requirement to help meet the unmet needs of Gloucester City. Does the plan do this?

1.34 There is clearly a lack of clarity on this matter that undermines the soundness of the plan. Notably through the conflation of sites meeting Gloucester's need (Allocations G1 and G2) and the subsequent shortfall this creates for the wider district, worsened given the council's decision to revise the requirement down to establish a more deliverable baseline in line with existing supply.

¹ Census 2021: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2021>