

West of England Joint Spatial Plan - Publication Representation Form

The West of England councils - Bath & North East Somerset, Bristol City, North Somerset and South Gloucestershire councils are inviting representations on the Publication Document of the West of England Joint Spatial Plan. These will be considered by the examining Inspector in the context of the soundness and legal compliance of the Plan.

Please return this form by Wednesday 10th January 2018.

Email to: comment@jointplanningwofe.org.uk **or post to:** West of England Joint Spatial Plan, C/o South Gloucestershire Council, Planning, PO Box 1954, Bristol BS37 0DD

This form has two parts:

Part A – Personal Details

Part B – Your representation.

Please fill in a separate sheet for each representation you wish to make.

To ensure your representation is restricted to issues of soundness and legal compliance, you are advised to refer to the accompanying **Guidance Document** and make your representation on this official form that has been specifically designed to assist you in making your representation.

Please be aware that all comments made on the Joint Spatial Plan will be publicly available.

Anonymous forms cannot be accepted and so to submit your form you must include your details below.

You should refer to section 5 in the Guidance Document for advice on how to make a **joint representation**.

Part A

1. Personal Details* 2. Agent's Details (if applicable)

* If an agent is appointed, complete only the Title, Name and Organisation boxes in 1. below adding the agent's details in 2 below.

Title*	Ms	
First Name*	Sophie	
Last Name*	Spencer	
Job Title (where relevant)	Director	
Organisation* (where relevant)	CPRE Avonside (including CPRE South Gloucestershire District Group, CPRE BANES District Group and CPRE North Somerset District Group)	
Address Line 1	PO Box 1621	
Address Line 2	BRISTOL	
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E-mail Address	director@cpreavonside.org.uk	

Sophie Spencer

Signature

Date 08/01/18

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Part B - Your Representation

Please use a separate form for each representation made and read the accompanying **Guidance Note** that accompanies this form before you complete it.

Name or Organisation: CPRE Avonside (Form 4 of 18)

Q1. On which part of the Joint Spatial Plan are you commenting? Please see the note above.

Chapter	1 3 4 4	Paragraph	5 2 & 3 & 23 1 to 8 -	Policy	- - 1 4
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Key Diagram

Q2. Do you consider the Joint Spatial Plan to be:

Legally compliant?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Sound?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Compliant with the Duty to co-operate?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Please tick as appropriate

Q3. Please give details of why you consider the Joint Spatial Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

If you wish to support the legal compliance or soundness of the Joint Spatial Plan or its compliance with the duty to co-operate, please also use this box to set out your representation.

Summary

The JSP is unsound because it fails to meet 2 of the tests to make it “sound”. Specifically:

1. It is not positively prepared because the evidence on which it relies is out of date (detailed below) – it cannot, therefore, be **providing the right amount of new homes.**

The data for growth on which the plan has been founded is highly unrealistic according to data published by the Office of Budget Responsibility, 2017 <http://cdn.budgetresponsibility.org.uk/Nov2017EFOwebversion-2.pdf>. The JSP is now over ambitious in its economic aspirations - the projections for employment growth are no longer valid, fewer new jobs will be created. The number of houses required will, as a consequence will be much reduced – the JSP overstates the housing requirement (not including the need for affordable housing of a range of types). The plan needs to be adjusted in light of evidence that has become available.

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2. It is not in line with national policy because it does not "*take full account of relevant market and economic signals*" (Section 158 of NPPF), nor does it use "*adequate, up-to-date and relevant evidence about the economic ...prospects of the plan*" (section 158, NPPF). The evidence it relies on is not up to date. The JSP was published for consultation on the same day as the release of a report from the Office of Budget Responsibility detailing a marked reduction in the economic forecast for the West of England. <http://cdn.budgetresponsibility.org.uk/Nov2017EFOwebversion-2.pdf>

The plan should be amended before it is submitted to the Secretary of State for Communities and Local Government for examination, in line with Government's own guidance, i.e. "*.... when approaching submission, if key studies are already reliant on data that is a few years old, they should be updated to reflect the most recent information available (and, if necessary, the plan adjusted in the light of this information and the comments received at the publication stage).*"

Paragraph: 014 Reference ID: 12-014-20140306

As detailed below, the forecasts from the Office of Budget Responsibility reveal a significant change in the predicted growth of jobs and households within the sub-region to 2036. We demonstrate how the figures should be revised. In addition, we argue that there is already sufficient provision for the housing that the sub-region will require to 2036 within the existing core strategies. Considering the scale of investment, disruption, loss of Greenfield land and impact on the well-being of the people of the West of England proposed by the JSP it is imperative that the WECA adjusts the JSP in light of this information.

Details

Here we demonstrate that numbers of jobs and houses used in the JSP are incorrect given the most recent economic indicators.

The number of new jobs to be created in WECA's projections, and the number of new dwellings that should result, are derived from the Economic Outlook for the West of England LEP commissioned from Oxford Economics in September 2015. The data is from 2014 and assumes a medium-high growth scenario and postulates a growth in GVA of 3.0% per year to 2025 and 2.8% thereafter. We now know, from the forecasts of the Office for Budget Responsibility, that this is highly unrealistic. This much more discouraging economic signal is confirmed by other respected sources like the Institute for Fiscal Studies and the Resolution Foundation.

In summary, we can expect a reduction in GDP, a fall in average incomes and an increase in Government borrowing. Coupled with the Bank of England's move to combat inflation by raising interest rates and no sign of a dramatic increase in the rate of house building and the creation of a buyer's market, one must expect the ability of families to finance house purchase and rents, to diminish. Even the base figure in the Oxford Report is far from what informed sources now predict will occur.

As such, the numbers in the JSP are incorrect. The JSP needs to be plan for less housing. It should be more focused on improving and regenerating urban areas across the region and making provision for the types of housing needed by the people who live and work here.

The West of England no longer has the ability to sustain housing growth at the levels predicted and catered for in the JSP; the question is how many fewer will be required. Such is the impact of the change in the economy that that the legitimacy of the predictions used to justify the Authorities' Core Strategies are also in doubt. There is a strong possibility that the 61,500 dwellings predicted to be provided between 2016 and 2026 will prove sufficient to satisfy growth in the West of England until 2036. The level of affordable housing required will need to be increased to 40%.

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Recommended revision of the analysis:

1. The Economy

The adopted report by Oxford Economics (OE) predicted the number of extra jobs over the lifetime of the JSP. Two key figures are given on page 27 of that report. One figure shows the total number of jobs against time and the other gives the variation of GVA against time. Since GVA and GDP are closely related, these figures need to be updated with the downgraded GDP/GVA values.

It can be shown that the OBR predicted downturn gives a final value for GVA of about 1.5% in 2036 in the OE report right-hand figure (obtained by drawing a new curve with the corrected growth values till 2022 then for later years using a similar curve to the other original curves but suitably extrapolated downwards). This compares to the final values of 2.0, 2.5 and 3.0 for baseline, medium-high and high respectively. By using the same arithmetic sequence (1.5, 2.0, 2.5, 3.0) in the left hand figure to extrapolate downwards, a new curve is obtained showing a final value of 662,000 jobs in 2036, therefore an increase of 20,000 during 2016-2036.

This new value of 20,000 is based on the downturn in growth and therefore much more relevant than the original OE scenarios. It can be taken as a baseline value. The medium-high growth scenario also has to be reduced from 84,000. Because of the equal increments in the above arithmetic sequence in the left-hand figure, the new medium-high growth scenario reduces to the OE original baseline value of 54,000 new jobs in 2016-2036.

We conclude that the economic downturn has produced a sequence of revised GVA/GDP values over 2016-2036 which, using the OE report's logic but with these revised values, gives a value of 20,000 new jobs using OE's baseline scenario and 54,000 new jobs using OE's medium-high scenario. In view of the depressed economic outlook, together with long-term uncertainties over BREXIT, the baseline scenario should be adopted instead of the more optimistic medium-high scenario in the current version of the JSP. Whichever scenario is adopted, it is clear that the downturn in GDP reduces the extra employment requirement by considerable amounts. Any further economic downturns would cause further reductions in these figures.

2. Housing Numbers

As well as a reduction in employment growth, the economic downturn will have a corresponding downturn in the required number of new houses in the West of England LEP. This can be quantified from additional published data from Oxford Economics and shown in Table 1:

	LEP Oxford Economics 2015 forecast data - 2016 to 2036								
	Employment growth			Average Economic Growth			Household growth		
	Baseline	Med/Hi	High	Baseline	Med/Hi	High	Baseline	Med /Hi	High
	thous	thous	thous	%	%	%	thous	thous	thous
BANES	4.0	8.7	13.1	2.1%	2.6%	3.0%	8.6	9.4	11.2
Bristol	11.8	25.9	39.3	2.2%	2.7%	3.1%	23.5	25.3	29.6
North Somerset	11.2	16.6	22.0	2.5%	3.0%	3.4%	17.4	18.5	20.6
South Gloucestershire	20.2	30.4	41.7	2.5%	3.0%	3.5%	16.9	17.9	20.3
West of England	71.2	81.6	116.1	2.3%	2.8%	3.2%	66.3	71.1	81.7
	Plus 1.1%		82.5	Market adjustments			9.4	9.4	9.4
				Objectively assessed need			75.7	80.5	91.1

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Table 1: Oxford Economics Published Data

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The Table uses averaged economic growth as opposed to GVA in the above OE figures. However, the two growth definitions are effectively equivalent and from the Table the sequence for the three scenarios follow the same arithmetic sequence (within two significant digit accuracy) as in the above employment reduction arguments. Hence, using that sequence (1.5, 2.0, 2.5, 3.0) leads to an averaged economic growth value of 1.8 applicable to the economic downturn situation. Here, we only need to be concerned with the total West of England data.

This revised value of 1.8 can be used to calculate the downturn household growth over 2016-2036. Table 1 shows that housing numbers do not vary as much as the employment growth over the three scenarios, and are not so linear in their differences. So using a suitable curved extrapolation gives the revised value as 64,000. Adding in the OAN supplement gives **73,400** required new houses across for the West of England LEP during 2016-36.

This OAN value represents a reduction of 28,800 houses from the final target figure of 102,200 over the period 2016-2036 in the current JSP, as derived in Table 2 below (from Topic paper 1: Formulation of the Housing Requirement). However, even without the above reductions due to the economic downturn, there is a mistake in the calculations in Table 2 as described below.

Table 2 shows how the housing requirement is finalised from initial figures. Since the JSP was first mooted, these initial figures have changed a few times, so that now the wider Bristol HMA and Bath HMA values are now 78,500 and 9,300 respectively-

The next few lines in the Table show that a small (3,100) migration input and a 2,500 decrease in household size are expected. Then there are the further adjustments including an arbitrary unjustified 10% increase. Finally, 4,400 houses vacated by older people moving. This is a mistake; the 4,400 should be **subtracted**, not added!

This correction brings the total JSP target in 2016-2036 to 93,400; **73,400 new houses over the 2016-2036 period.**

There has been another significant change that has to be assessed and factored into the calculations, the removal of tolls on the Severn crossings before 2019. Housing in South Wales is more affordable than in the West of England and it will become more attractive to people employed in the north of the latter particularly South Gloucestershire and the North fringe of Bristol. Consequently the demand for houses as well as the need will decrease.

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Stage		Wider Bristol HMA	Bath HMA	TOTAL
Housing need based on SHMA household projections		78,500	9,300	87,800
Estimated impact of...	Changes to migration	+800	+2,300	+3,100
	Changes to average household size	-2,000	-500	-2,500
Housing need based on updated household projections		77,300	11,100	88,400
Further adjustments needed...	In response to balancing jobs and workers Additional dwellings to ensure alignment between planned jobs growth and projected growth in workers	0	400	400
	In response to market signals Dwellings needed (including the specific adjustment for concealed families and homeless households)	10% x 77,300 = 7,700	15% x 11,100 = 1,700	9,400
Combined impact of the identified adjustments		7,700	1,700	9,400
Updated OAN for the JSP period 2016-36		85,000	12,800	97,800
Allowance for dwellings assumed to be vacated by older people moving into care		3,700	700	4,400
Further uplift to help deliver the identified affordable housing need		The uplift applied in response to market signals will already incorporate this		
Housing Target for the JSP period 2016-36		88,700	13,500	102,200

Table 2: From Topic paper 1: Formulation of the Housing Requirement

Please continue on a separate sheet/expand box if necessary

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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:

CPRE Recommendation 7: The JSP needs to be revised to reflect new forecasts for the economic growth of the sub-region. Specifically:

- Chapter 4, Para 2 should be amended to state “*The Spatial Strategy has been formulated to deliver the Objectively Assessed Need of 73,400 new homes, which is broadly in line with the Core Strategy*”
- Chapter 3, Para 3 should be amended to state “*the Spatial Strategy supports the delivery of 20,000 new jobs (using the OE baseline scenario)*”. A maximum of 54,000 new jobs if using the medium-high scenario.

The spatial requirements of the plan will need to be amended to reflect this and the entire section 7 (new strategic locations) revised.

Please continue on a separate sheet/expand box if necessary

Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested change, as there will not normally be a subsequent opportunity to make further representations based on the original representation at publication stage. **After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he/she identifies for examination.**

Q5. If your representation is seeking modification, do you consider it necessary to participate at the oral part of the Examination?

No, I do not wish to participate at the examination hearings

Yes, I wish to participate at the examination hearings

Q6. If you wish to participate, please outline why you consider this to be necessary.

Our comments demonstrate significant failures of the JSP to meet the tests of soundness which should be explored further in any examination hearing. CPRE Avonside is the local branch of a respected national charity. We anticipate that the Planning Inspectorate will know CPRE by reputation and value the input of our knowledge and understanding of the issues and local area to be explored in this important process.

Please continue on a separate sheet/expand box if necessary

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the oral part of the Examination.

Name

Sophie Spencer

Date

08/01/18

All representations must be received no later than Wednesday 10th January 2018

Please keep a copy of this form for future reference.