



The Planning
Inspectorate

Report to North Somerset Council

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an Inspector appointed by the Secretary of State for Communities and Local Government

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT on the EXAMINATION of the NORTH SOMERSET CORE STRATEGY DEVELOPMENT PLAN DOCUMENT

Document submitted for examination on 8 July 2011

Examination hearings held between 23 November and 14 December 2011

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Abbreviations Used in this Report

[***]	document reference
AAP	Area Action Plan
ATWP	Air Transport White Paper
CIL	Community Infrastructure Levy
CS	Core Strategy
DCLG	Department for Communities and Local Government
DPD	Development Plan Document
dRSS	Draft Revised Regional Spatial Strategy for the South West incorporating the Secretary of State's Proposed Changes - 2008
dNPPF	draft National Planning Policy Framework
EA	Environment Agency
GVA	Gross Value Added
ha	hectare
LDS	Local Development Scheme
LEP	Local Enterprise Partnership
LPA	local planning authority
MM	Main Modification
mppa	million passengers per annum
NSC	North Somerset Council
OBR	Office for Budget Responsibility
para	paragraph number
PC	Proposed Change to Publication Version [SD/06]
PCPA	Planning and Compulsory Purchase Act 2004
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
RPD	Royal Portbury Dock
RS	Regional Strategy
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SHLAA	Strategic Housing Land Availability Assessment
SSCT	Strategically Significant Cities and Towns
WsM	Weston-super-Mare
WoE	West of England
WoEP	West of England Partnership - Bath and North East Somerset, Bristol, North Somerset, South Gloucestershire

Non-Technical Summary

This report concludes that the North Somerset Core Strategy Development Plan Document (CS DPD) provides an appropriate basis for the planning of the District for the period to 2026, subject to a number of modifications. North Somerset Council (NSC) has specifically requested that I recommend any Main Modifications (MM) necessary to enable it to adopt the CS DPD.

The modifications are summarised as follows:

- Increase the overall employment-led and housing target from 13,400 to 14,000 units to correspond with corrections to the evidence base put forward by NSC;
- Make express provision for five-yearly review of the CS to take account of any shortcoming in performance of the employment-led housing strategy in practice and to allow for any unforeseen improvement in the economic situation leading to a higher employment-led housing requirement;
- Increased flexibility for the negotiation of the maximum viable contribution of affordable housing in new residential developments;
- Increased flexibility in employment-related release of housing land in the Weston Villages, in the interest of successful implementation of the employment-led housing strategy in the early years of the CS period;
- Increased flexibility in the policies for development at Service and Infill Villages in recognition of their wide variation in scale, character and sustainability of location;
- Provision of additional retail floorspace at Portishead in response to the latest NSC-commissioned Retail Study 2011;
- A range of lesser changes to ensure that the wording of policies and text are clear and in compliance with national policy.

Introduction

1. This report contains my assessment of the North Somerset Core Strategy Development Plan Document (CS DPD) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended)(PCPA). It considers whether the DPD is sound and whether it is compliant in legal terms. Planning Policy Statement 12 (PPS12) (paragraphs 4.51 to 4.52) makes clear that to be sound, a DPD should be justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that North Somerset Council (NSC) has submitted what it considers to be a sound plan. The basis for my examination is the submitted draft CS (January 2011) which was published for consultation on 9 February 2011 [SD/01], as modified by a Schedule of Proposed Changes (PC) to the Publication Version of the CS [SD/06 - PC1-56] put forward by NSC and the subject of public consultation between 21 July and 14 September 2011. This report takes into account all responses to the PCs [PC/01 and PC/02].
3. In accordance with section 20(7C) of the 2004 Act (as amended)(see Preamble below), NSC has requested that I recommend any Main Modifications needed to rectify matters that make the Plan unsound or legally non-compliant and thus incapable of being adopted. Accordingly this report deals with the Main Modifications that are needed to make the CS sound. All of these were proposed or agreed by NSC during the examination. They are identified in the report in bold script (**MM****) and set out in the **Appendix**.
4. The Main Modifications were subject to Sustainability Appraisal (SA) and to public consultation between 26 January and 7 March 2012. I have taken the consultation responses into account in this report.

Assessment of Soundness

Preamble

National Planning Law and Policy

5. This report takes into account certain changes to national planning law and policy which have taken place since the CS was submitted for examination:

- a. *Localism Act 2011*

The Localism Act received Royal Assent on 15 November 2011. It contains a number of provisions having a bearing upon the CS and its examination. These were drawn to the attention of Representors for comment:

- i. Section 109 enables the Government to revoke Regional Strategies (RSs). The implications of this for the CS are set out below with reference to regional planning policy.
- ii. Section 110(3) introduces the duty to co-operate between local authorities regarding cross-boundary strategic matters by inserting an additional purpose into the examination under section 20(5) of the PCPA 2004 to consider whether the local authority has complied with any duty imposed under section 33A in relation to the preparation of the plan. This CS DPD

was already prepared and submitted by the date of Royal Assent. Therefore, no such duty could have been imposed on NSC prior to that point because the duty was not in existence. Accordingly, taking into account all views expressed upon this new legislation, no action is taken in this examination regarding the duty to co-operate, albeit cross-boundary issues are germane to the ultimate conclusions of this report. [Interim Note and responses - ED/32, ED/32a-b, ED/33 with Appendix and ED/33a]

- iii. Section 112 makes changes to Sections 20–23 of the PCPA 2004. These remove the power of the Inspector to make binding recommendations on a DPD and require a new approach to reporting where, as in the case of this CS, the examination was not completed and the report was not delivered until after 15 January 2012. The Inspector can no longer make recommendations for changes unless specifically requested to do so by the local planning authority (LPA) and then such changes are referred to in the adoption process as Main Modifications (MM) and are strictly limited to the rectification of issues of legal compliance and soundness. Therefore no reference is made in this report to minor changes (additional modifications) that do not address soundness, are not subject to examination and for which the LPA is entirely accountable at adoption.

b. *Draft National Planning Policy Framework*

The Government published for consultation the draft National Planning Policy Framework (dNPPF). Even though the draft NPPF carries limited weight, it was the subject of further consultation between NSC and Representors during August 2011 regarding any implications for the CS. The responses of Representors and NSC in this connection are taken into account. [DR/01-20]

Regional Planning Policy

6. Prior to the Localism Act receiving Royal Assent, the Court of Appeal had ruled that the intention of the Government to revoke RSs, could not lawfully be regarded as material to the soundness of a DPD in preparation or under examination and that therefore any DPD must be in general conformity with the relevant RS¹. Although the revocation of RSs is now enabled by Section 109 of the Localism Act, this has yet to take place. Accordingly, the commencement of the Localism Act results in no immediate change to the status of RSs.
7. The approved RS for the South West is Regional Planning Guidance 10 (RPG10) (2001) and its proposed replacement is the Draft Revised Regional Spatial Strategy for the South West incorporating the Secretary of State's Proposed Changes (2008)(dRSS) [RD/02]. With the passing of the Localism Act there is no realistic prospect of this previously emerging RS ever becoming part of the development plan. In the context of this examination and the focus of the CS on the long-term planning of the District, the dRSS now carries little policy weight. Even so, regard should still be had to the evidence which supported it, in so far as this remains relevant to the assessment of the soundness of this CS.

¹ *Cala Homes (South) Limited v SSCLG & Anr*, EWCA Civ 639 2011, Case No: C1/2011/0297
See para 24 re DPDs
(in contrast with para 33 where the intended revocation of RS can still be material to an appeal)

8. Shortly after the CS was submitted, I issued an Initial Note to NSC [ED/01] the main thrust of which was that, in light of the current legal status of regional policy, it would be appropriate for the evidence that supported the dRSS to be considered in the examination alongside the local evidence base. NSC provided a written response [ED/03] and a number of additional documents [principally ED/08-ED/22]. All this material was made public in the Examination Library and taken into account in the examination.

Main Issues

9. Having regard to all the representations, written evidence and the discussions that took place at the examination hearings, I identify eight main issues upon which the soundness of the Plan depends.²

Issue 1 – Whether the CS makes appropriate provision for overall amounts of employment and housing development

[Examination Issues 1a-d and 2a-c – Hearing 1]

Policy Background and the Employment-led Approach

10. RPG10 as the current Regional Strategy (RS) sought to focus development on Principle Urban Area and the draft Revised Regional Spatial Strategy for the South West (dRSS) similarly promotes sustainable development focussed on Strategically Significant Cities and Towns (SSCTs) including Weston-super-Mare (WsM) as well as the city of Bristol. Historically in WsM housing development has out-performed the creation of employment resulting in the main town of North Somerset increasingly occupying a role as a dormitory location for Bristol with implications for transport and sustainability. Current development plan provisions to encourage employment alongside the buoyant housing market have failed to result in a rebalancing of jobs and housing, leaving a calculated backlog of 4000 jobs at WsM in relation to the present housing stock.
11. Accordingly, the CS seeks to link new housing to employment in North Somerset, and WsM in particular, in order to improve self-containment, reduce out-commuting and so achieve a more sustainable relationship. This approach is consistent with established regional and local policy and it attracts no substantial challenge to the extent that it applies to WsM. Nor is there any challenge to the premise adopted by NSC that over-provision for housing can lead to unsustainable development with excessive in-migration and out-commuting whilst under-provision can result in unaffordable house prices and a high level of in-commuting. It is accepted that an appropriate balance needs to be struck.
12. However, there is widespread representation that the CS is unsound in terms of its overall numerical provision for housing in relation to employment. If that is found to be the case, there are consequential implications for the spatial distribution of any additional development about the District, including within the Green Belt. Dispute is centred on whether the estimated amount of growth in employment and the directly-related new housing requirement figure are justified on the evidence of NSC when considered against the

² Issue numbers vary from the original Examination programme and agendas - cross-reference is made at each heading.

established assessment methodology of national housing policy in Planning Policy Statement 3. The question also arises as to whether the policies of the CS linking the release of housing to the creation of employment opportunities will succeed in practice without detriment to the overall housing target being met. This matter is especially pertinent to the Weston Villages developments (discussed under Issue 2 below).

Re-Appraising the Evidence

13. After submission of the CS and its supporting evidence, NSC detected an error in the determination of its housing requirement [SD/20] due to the incorrect application of the projected rate of decline in household size for 2001-21 instead of 2006-26. This results in an increase in the overall target from 13,400 to 14,000 units. The relevant part of the evidence base was therefore revised with an explanation [ED/15 and ED/15a]. This correction is uncontroversial in itself and therefore the following appraisal of the CS housing target begins with the corrected figure of 14,000. However a number of changes are required to put the correction into effect and these are listed within the Conclusions on Issue 1 below.
14. The arithmetical calculations comprised in the corrected evidence of NSC [ED/15; ED/36] are not disputed. The questions raised are whether the choice of employment growth scenario selected is logical and whether the applied ratio, of homes required to jobs created, is appropriate. The outcome is highly sensitive to minor variations in these key factors and yet it is acknowledged that the choice between options is a matter of subjective judgement in a context of high current uncertainty within the global and national economic situation.
15. The dRSS of 2008 provides for 26,750 new homes in the District up to the year 2026, including two urban extensions of 9,000 dwellings, one in the Green Belt south west of Bristol and another south east of WsM. In July 2010, shortly after the Government announced its intention to revoke RSs in favour of locally determined planning policy, NSC resolved upon three key development principles of: protecting the Green Belt; no development at the south west boundary of Bristol; and employment-led regeneration focussed on WsM but subject to reassessment of scale and form. NSC further resolved to investigate and test a suggested District housing requirement described as 'likely to be in the range 14,000 to 16,000 dwellings'.
16. The NSC local evidence for the overarching numerical and spatial provisions of its CS is thus predicated on RS revocation and, at first sight, a prejudgement of the reduced housing requirement. The widespread misgiving at this approach is therefore understandable, especially given the explicit advice at para 33 of PPS3 to include consideration of government household projections. However, there is evidence by way of reports commissioned by NSC [LD/18 and LD/22] that neither of the urban extensions could be achieved within the timeframe of the CS and that a housing figure of 6,000 would be more realistic for each. Moreover, the Strategic Environmental Assessment (SEA) of the SoS Proposed Changes to the RS expressed reservations about the scale of the 26,750 total. Furthermore, it is plainly desirable now to review the five-year-old evidence of housing requirements that informed the dRSS because it predated the current economic recession, which is widely regarded as the worst

since the 1930s. This examination provides the appropriate opportunity for the necessary fresh appraisal.

Economic Growth and Additional Jobs

17. The dRSS was produced in the light of assumed economic growth forecasts for the UK nationally, the South West region and the West of England Partnership (WoEP) area, in a range of 2.8% to 3.4% Gross Value Added (GVA). It is the essentially unchallenged evidence of NSC that, had pre-recession trends continued, growth over the timeframe of the CS from 2006-26 would have averaged around 2.9-3.1% GVA in the South West and WoEP area respectively. NSC relies on the recognised forecasting models³ that supported the dRSS. These indicate that the pre-recession growth trend would have resulted in increases of some 370,000 jobs in the South West as a whole and 91,000 in the WoEP area, of which about 12,900 would have been created in North Somerset.
18. In practice, due to the continuing recession from 2007 but assuming recovery of growth to pre-recession levels from 2011, the same accepted forecasting models predict much lower GVA% growth rates in central, high and low growth scenarios for the CS period of:

Growth Scenario	South West % GVA	WoEP % GVA
Central	1.6	1.8
High	1.9	2.1
Low	1.0	1.2

19. These scenarios lead to much-reduced numbers of additional jobs in the CS period. Including an allowance for the tendency for increased productivity to constrain the number of new jobs created when growth rates are low, these are estimated in comparison with the pre-recession trend figure to be:

Growth Scenario	South West Additional Jobs	WoEP Additional Jobs	North Somerset Additional Jobs
Central	218,400	53,800	7,400
High	273,900	67,500	9,100
Low	135,700	33,400	4,800
Pre-Recession	370,900	91,500	12,900

20. NSC compare these local outcomes with more recent national and regional forecasts⁴ providing a more optimistic central growth figure for North Somerset of 17,000 jobs from 2006 to 2026. However, as the higher assessment includes a much greater share of growth to North Somerset than the dRSS, NSC then modifies the central total for the District to 10,100 jobs from 2006 to 2026. This reduction is based on both anecdotal evidence of

³ ED/15 paras 6.1-2 and Tables 3-4

⁴ ED/15 paras 7.2-7.6 and Table 7

recent growth and future prospects and on the application of average WoE growth rates for each job sector in North Somerset. This figure, equivalent to a 12% increase in jobs District-wide, lies midway between the recession-adjusted dRSS central total of 7,400 (8.8%) and the pre-recession trend figure of 12,900 (15.3%) and is chosen by NSC as the basis for the overall numerical targets of the CS.

21. Whilst this approach is put forward by NSC as a logical compromise, it is heavily criticised on grounds that it is too pessimistic and that the high growth scenario calculated for North Somerset should be assumed instead. In support of this view are the strenuous efforts of the current Government to promote growth, not only by way of the Plan for Growth of March 2011 but in the Autumn Budget Statement in November 2011. Representors also cite the post-2010 growth assumption of 3.4% GVA by the Local Enterprise Partnership (LEP) as well as the 2008 DCLG forecast of a 41% increase in jobs in the same period.
22. Against these considerations it is noted that forecasts by the Office for Budget Responsibility (OBR) in June and December 2011⁵ show reducing prospects for short-term growth whilst the optimistic view of the LEP applies from 2010 and is not directly comparable with overall growth rates for the 2006-26 CS period. Moreover, the 41% DCLG figure far exceeds any local high growth prediction and in the context of North Somerset would not appear to meet the essential thrust of the Government's Plan for Growth that growth should be sustainable. Furthermore, it is reported that domestic mortgage uptake is half its pre-recession level, signalling continuing constraint on the housing market. Nothing has arisen in the broad public domain since the submission of the CS to justify any more optimistic view of potential economic growth whether locally or nationally – indeed the current Europe-wide financial crisis would imply the reverse.
23. On balance, and in the context of apparently unprecedented and continuing economic uncertainty, the NSC growth assumption of 10,100 jobs may be regarded as justified on present evidence. To this is added the calculated backlog of jobs in WsM required to balance new homes already built of 4000, making a total jobs target rounded to 14,000.

Overall Homes:Jobs Ratio

24. NSC multiplies its estimated jobs growth total of 10,100 by an assumed homes:jobs ratio of 1.388, arriving, coincidentally, at an overall housing target rounded also to 14,000.
25. Again, the chosen ratio is criticised as overly pessimistic as it is based upon pre-recession WoE figures in preference to the strong historic housing performance in North Somerset. However, this choice recognises that rural North Somerset is unlikely to outperform its urban neighbours of Bristol and Bath in the crucial business service sectors of their local economies and so is also consistent with the employment-led approach to housing, in contrast with the previous trend toward out-commuting from new homes. Further, the ratio is calculated still to include a degree of spare capacity with reference to

⁵ ED/15 paras 7.1-6 and ED/36 para 7.1 update

changing population structure and migration, reducing household size and local demand from non-working residents.

26. Falling within a wide range of known homes:jobs ratios within the WoE, the chosen value again appears as a reasonable compromise in present circumstances.

Cross-boundary Implications with respect to Bristol

27. Significantly, the Bristol Core Strategy was found to be sound and adopted in 2010 without reliance upon urban extensions outside its boundary with North Somerset. Even though future urban extensions south west of Bristol are not ruled out, there is evidently no current need for North Somerset to cater for any unmet need from neighbouring Districts over and above its own calculated housing and employment requirements.

Contingency Housing Land Supply

28. Aside from a range of development locations rejected as being subject to planning constraints, the Strategic Housing Land Availability Assessment of 2011 (SHLAA)[ED/09 and 09a] indicates a supply of housing land, subject to practical site delivery, which would provide both a short-term land supply of 6.9 years and a District-wide total of 17,150 new homes by 2026, a potential excess over the policy minimum of more than 20% equivalent to a further substantial increase in jobs. As well as the identified strategic locations, this total includes a windfall allowance of 1570 units after ten years, ie from 2021 to 2026 only, broadly in line with the approach of PPS3. The practical land supply figure would therefore appear realistic.

Conclusions on Issue 1 - overall employment and housing

29. The approach of NSC to the employment and housing targets of the CS is at first sight an inward-looking and conservative departure from the dRSS and national advice in PPS3. However, in the context of virtually unprecedented economic uncertainty and the intended removal of regional targets, there is no evident single right answer to the question of how many jobs and homes the CS should provide for at this time. Although highly subjective however, the conclusions in the NSC corrected evidence base appear to provide justifiable overall employment and housing targets based on the available evidence in current circumstances. That is despite being substantially below both the dRSS figure and ONS household predictions cited in PPS3 as a source of data to be taken into account. At the same time, on reasonable estimates of economic recovery, the figures match historic District house building performance.
30. However, the uncertainty of the present situation re-emphasises that to be sound the CS must incorporate sufficient flexibility to meet unforeseen developments, especially any unpredicted upturn in the economy giving rise to increased job and housing requirements more in line with pre-recession forecasts. The spare capacity of over 3,000 dwellings identified in the SHLAA provides a significant measure of flexibility toward meeting such an eventuality.

31. Nevertheless, a substantial improvement in the economy, if reflected in the WoEP Districts, would have dramatic implications for the CS. In particular, should there arise a need for urban extensions or other provision to serve unmet need in Bristol, this would trigger a need for comprehensive review of the CS with respect to Green Belt boundaries (discussed under Issue 2 below) and further strategic development locations other than WsM, potentially involving neighbouring Districts in accordance with the duty to co-operate under the Localism Act.
32. Therefore, the CS should commit itself to early review of its housing provision by way of **MM07** and **MM11** to Policy CS13 and its supporting text. Such review will potentially have far-reaching implications for other aspects of the CS, including the basis of its spatial strategy overall, should substantial additional urban development become necessary. Accordingly the commitment to review should also be expressed in general within the Introduction, under the sub heading of Monitoring and Review, including a statement that review will commence at a sufficiently early date to ensure timely adoption of any new policies in line with a five-yearly review cycle. This general commitment is provided by **MM01** to para 1.13.
33. With such a commitment to regular review embedded within the CS, there is no need to extend the time frame of the CS to 2027 merely to provide a clear 15 years from adoption in 2012 given also that time frame is consistent with that of the neighbouring Bristol CS and is thus convenient for comparison in connection with joint working under the duty to co-operate.
34. Meanwhile, it is appropriate that this expressly employment-led CS be given a chance to succeed, where previous plans have failed, in the sustainable co-location of new employment and housing in accordance with the essential established principles of the dRSS and RPG10.
35. Further changes **MM02** to Priority Objective 1 and **MM07, MM08, MM09, MM10, MM12, MM13, MM14, MM15, MM29, MM39** and **MM40** to Policies CS13, CS14, CS28 and CS31 and their supporting texts, are all required to correct the housing target to a minimum of 14,000 and apportion the additional 600 units across the various settlements. Otherwise, the overall employment and housing targets of the CS are justified.

Issue 2 – Whether the CS sets out an appropriate overall spatial strategy for the distribution of development

[Examination Issues 3a-e Hearing 2 and 3g-h Hearing 4]

Regional Policy

36. Notwithstanding the reducing weight to be ascribed to RPG10 and the dRSS, it is undisputed that their principles of promoting sustainable development focussed on Strategically Significant Cities and Towns (SSCTs) still apply in assessing the soundness of this CS. Thus, if the overall employment and housing targets are correct and the employment-led development policies prove effective, then the chosen spatial strategy for the District is justified and in conformity with those principles.

Alternative Urban Extensions

37. The most significant question to arise in the examination is whether further urban development locations are required to cater for unmet need in North Somerset and neighbouring Bristol, in addition to, or as alternatives to those selected by the CS in existing settlements and the Weston Villages.
38. The answer to this question depends chiefly on the likelihood of an unexpected upturn in the economic situation in the next few years sufficient to enlarge the employment-led housing target above the chosen 14,000 and beyond the estimated supply of some 17,000 units. However, it is concluded under Issue 1 (above) that the overall employment and housing requirement totals are on balance appropriate in the circumstances, subject to regular review.

Weston Villages – employment-led housing

39. A need for alternative development locations could also arise if the employment-led housing policies failed to bring about employment development in conjunction with new housing. The co-location of employment and housing is necessary to reduce out-commuting via the M5 to Bristol. In particular, if Policies CS20 and CS30 were ineffective in delivering their full complement of housing linked to 1.5 jobs per new dwelling in the Weston Villages, there would be far-reaching implications for the success of the spatial strategy as a whole.
40. As submitted, Policies CS20, CS28 and CS30 together require 1.5 on-site Class B jobs to be provided per new dwelling in tranches of 250 units. This applies to the Weston Villages developments and elsewhere across WsM on sites of 10 or more dwellings. Within the Weston Villages, Policy CS30 gives priority to redeveloping previously developed land.
41. NSC now proposes a number of changes to these policies aimed at securing delivery despite currently unfavourable economic circumstances. Essentially, the sole emphasis placed upon the provision of jobs within Use Class B would be removed and so would the priority given to brownfield development; and delivery would be phased. Thus, non-Class B jobs would also be counted toward an average ratio of 1.5 jobs per dwelling, excluding construction jobs but including some across the wider area of WsM. Phasing would begin with 0.9 jobs per dwelling to 2016, rising to 2.1 jobs per dwelling to 2026.
42. This short-term easing of the submitted policy requirements understandably attracts criticism that it weakens the employment-led strategy and raises doubt as to its deliverability in the later years. On the other hand, the proposed changes emerge from a joint approach by several of the developers concerned in concert with NSC [ED/25]. The developments have made a substantial and encouraging start and there is provision for regular review by a Joint Delivery and Review Board.
43. On balance, with the proposed changes in place, Policies CS20, CS28 and CS30 appear to provide a pragmatic means to employment-led delivery of the Weston Villages housing. As such their success should be judged against performance over a reasonably long period before review.

44. Accordingly, Policy CS20 and its supporting text should be modified as proposed by NSC by way of **MM23**, **MM24** and **MM25**; para 4.6 of the text supporting Policy CS28 should be modified by **MM30**; and policy CS30 and supporting text should be modified by **MM32**, **MM33**, **MM34**, **MM35**, **MM36**, **MM37** and **MM38**.

Green Belt Review

45. In the event of additional development capacity becoming necessary in a future review of the CS, it would be for NSC to consider providing for it by way of one or more urban extensions in the Green Belt south west of Bristol as proposed by the dRSS, whether at Long Ashton or at Pill as suggested by different Representors, or at other locations either within or outside existing settlements.
46. It is suggested by Representors that a review of sites within the Green Belt should take place immediately and even that, without it, the CS cannot be sound as submitted. However, such consideration would be expected to require joint working with other WoEP authorities in accordance with the duty to co-operate under the Localism Act, and to involve a comprehensive reassessment of Green Belt boundaries within all four Districts.
47. Notwithstanding the earlier provision of RPG10 that a Green Belt Review should be undertaken and the proposal of the dRSS for an urban extension in an area of search south west of Bristol, it is not within the scope of this Report in current economic and planning circumstances to anticipate the outcome of such review processes which should remain within the purview of the LPAs responsible. Moreover, the Bristol CS has been adopted on the basis that no urban extension is required outside its boundaries pending review over a five-yearly cycle. Accordingly, the requisite exceptional circumstances, in terms of para 2.7 of Planning Policy Guidance 2 (PPG2), to justify changing the Green Belt are not currently made out.

Strategic Gaps

48. As submitted, Policy CS19 goes beyond established Green Belt and countryside protection policy by referring to strategic gaps between settlements or parts of settlements. This is without further justification of definition, aside from a non-exhaustive list of broad potential locations. The resulting impression is that strategic gaps, if required, should be designated at CS level. **MM22** provides the explanation of strategic gaps as important open areas yet to be identified in detailed planning documents and emphasises that the listed locations are merely indicative at this stage. With that change, Policy CS19 is justified and effective in setting out the core principle that important open areas will be protected, including within the selected broad development locations.

Nailsea Development

49. There is a strong local call for greater flexibility regarding potential development at Nailsea, including a return to the Consultation Draft version of Green Belt Policy CS6 which contemplated local variation to the boundary of the Green Belt to facilitate development.

50. Local concern relates to the rising age profile of the community following past rapid expansion compared with current development constraint. There is support for employment development north east of the town within the Green Belt in preference to other lands not subject to the same level of planning constraint to the south and west.
51. The true availability of some of these lands is questioned but there is evidently scope outside the Green Belt for intensification and expansion of both housing and employment strictly related to local needs and economic growth in line with Vision 4 of the CS. The numerical employment and housing targets for Nailsea in Policy CS31 are notably limited and a substantial proportion of the 151 dwellings is already committed. Importantly though, these are minimum figures and need not be seen as restricting development that is justified.
52. The detailed consideration of potential development sites is largely for the later Sites and Policies DPD or an Area Action Plan (AAP). Meanwhile, no exceptional case for variation of the Green Belt boundary is currently made out. Policy CS31 as submitted incorporating PC42 is effective in properly clarifying support for mixed use development adjacent to the settlement. No further main modifications are required with respect to development at Nailsea.

Service and Infill Villages, Smaller Settlements and the Countryside

53. There is considerable criticism of the provisions the CS makes for development at Service and Infill Villages, as defined respectively by Policies CS32 and CS33 taken with Policies CS14 on the distribution of housing and CS17 on rural exception sites. The crux of concerns expressed by several Representors is that these policies fail to distinguish the wide variation in scale, character and accessibility of settlements and their capacity to accommodate sustainable development. In particular, the limited numerical provisions of Policy CS14 are seen as over-restrictive with respect to a range of identified development opportunities, for housing especially. Further, the outright prohibition of employment and affordable housing in the Green Belt goes beyond national Green Belt policy in PPG2.
54. In the event that the overall housing targets were to prove inadequate on future review, it would be for NSC to consider enlarging the development targets for settlements other than the four main towns as one option for increased provision. Meanwhile, the future Sites and Policies DPD or Neighbourhood Plans may afford opportunities for specific allocations above the minimum levels set by Policy CS14, especially in larger villages if these are justified. This important consideration is suitably added to para 3.196 of the supporting text of Policy CS14 by **MM16**.
55. At strategic level, the approach of Policies CS32 and CS33 is justified and consistent with the overall strategy to focus most development on major settlements. However these policies need sufficient flexibility to ensure that they properly cater for the varying needs of individual settlements. As submitted, Policies CS32 and CS33, incorporating PCs43-46, both provide a significant degree of flexibility by contemplating development outside the strict settlement boundary where justified. **MM47** to para 4.96 is also necessary to apply the same flexibility to affordable exception schemes under Policy CS17.

However, that still leaves housing developments restricted to a maximum 10 units. In the case of Service Villages, **MM41**, and **MM43** to Policy CS32 and its supporting text remove that quantitative restriction and introduce a preferable qualitative test that development should be appropriate to the size and character of the village.

56. In Policy CS33, **MM42** (superseding PC47) appropriately qualifies the provision that new employment will not be permitted in the Green Belt except in compliance with national Green Belt Policy in PPG2, including the qualification that development may be permitted in very special circumstances. Similarly with respect to rural affordable housing exception schemes, **MM18** and **MM20** introduce the same qualification to Policy CS17 and its supporting text.
57. With these modifications in place, Policies CS14, CS17, CS32 and CS33 are effective in providing flexibly for development at Service and Infill Villages within the context of the justified overall development targets and spatial strategy of the CS and also in line with national Green Belt policy.

Bristol Airport

58. Two main considerations arise in connection with the provisions of the CS for Bristol Airport. The first relates to Policy CS6 and whether the boundary of the Green Belt around the Airport should be modified to accommodate new development. The second concerns the terms in which Policy CS23 provides for future development of the Airport.
59. On the first consideration, the boundary of the present inset within the Green Belt around the Airport terminal complex north of the runway is set by the current adopted Local Plan. The subsequent dRSS supports an extension to the inset to meet the further development needs of the Airport.
60. The development needs of the Airport during the timeframe of the CS have now been substantially established, primarily by way of the grant of planning permission in February 2011 for expansion to 10 million passengers per annum (mppa)⁶. This permission was subsequently upheld in the High Court after judicial review with respect to third party concerns over greenhouse gas emissions [PS/403a]⁷.
61. The development, now commenced, includes major built extensions to the terminal building and aircraft aprons, and there is a separate permission for an hotel⁸, all inside the existing Green Belt inset on the north side of the runway. On the south side, within the designated Green Belt, the permission of 2011 includes an area equivalent to the north side inset but with use mainly for ground level redevelopment and extension of existing long-stay car parking.
62. The development currently permitted accords with the current Air Transport White Paper (ATWP) [NO/05] and the Bristol Airport Masterplan [LD/14], wherein further expansion to 12mppa by the year 2030 is supported, potentially involving the use of some 31ha of Green Belt land in addition to the

⁶ Permission 09/P/1020/OT2 16 February 2011

⁷ [2011]EWHC3356(Admin)

⁸ Permission 10/P/1240/F 22 October 2010

area of the present permission. For the period of the CS however, no development is now envisaged, nor any enlargement of the Green Belt inset sought, beyond the extent of the development already permitted.

63. The question to be addressed is whether the Green Belt boundary should be adjusted to coincide with the site of the permission of 2011. On first consideration this would be a logical measure, consistent with the dRSS and with the approach taken at several other provincial airports located within Green Belts, given also that for permission to have been granted, very special circumstances have already been established with reference to the ATWP.
64. Importantly however, the land uses permitted outside the current inset, apart from the operational airfield itself, are chiefly ground-level car parking. This use has relatively little effect on the essential openness or visual amenity of the surrounding rural Green Belt, save from close viewpoints, when compared with the prominent built form of the terminal and associated structures within the present inset. The land outside the inset therefore still contributes to the purposes of its inclusion within the Green Belt, notwithstanding the extant permission.
65. Moreover, the long-term development needs of the Airport in addition to the present permitted proposals are not defined or programmed in detail, whilst the dRSS provision in favour of enlarging the inset attracts limited weight. The requisite exceptional circumstances to justify changing the Green Belt boundary in terms of para 2.7 of PPG2 are therefore not made out and any further proposals outside the present inset should remain subject to the requirement of para 3.1 of PPG2 that inappropriate development be not approved except in very special circumstances. Accordingly, no change to the present Green Belt boundary around Bristol Airport is presently justified and in this respect Policy CS6 is sound as submitted.
66. On the second consideration, Policy CS23 might have been worded more expansively to acknowledge Bristol Airport as a major employer important to the local economy. However, when Policy CS23 is read with its supporting text and Priority Objective 3 within the context of the CS as a whole, support for further development at the Airport is evident. Equally, Policy CS23 might have spelled out the type of potential environmental impacts it is intended to address due to any further development at the Airport. However, its single general criterion is sufficient to provide environmental safeguard to the community.
67. The provision of para 3.296 for further development to be subject to an AAP or further DPD is questioned on grounds that the development needs of the Airport during the CS period are now established by way of the permission granted in 2011. As noted above though, the longer-term development needs of the Airport are yet to be defined in detail and an AAP or further DPD would be an appropriate vehicle for this.
68. Some Representors seek stronger limitation on potential further development and associated activity at and around Bristol Airport, citing continuing concerns over greenhouse gas emissions as well as aircraft noise and road congestion. In this connection, the reference in the current draft Civil Aviation Bill to enhanced environmental controls is cited. However, with the extent of

airport expansion within the CS period largely established, a sufficient degree of constraint on any further development within the site area is provided by Policy CS23 and its supporting text as submitted, incorporating PCs 30-32. Policy CS23 is therefore justified and effective.

Royal Portbury Dock [RPD]

69. There are clear parallels between the above considerations for Bristol Airport and those regarding the provisions of the CS for the RPD. The first relates to Policy CS6 and whether the boundary of the Green Belt adjacent to the southern boundary of Bristol Port should be modified in anticipation of future expansion of the Port within North Somerset. The second concerns the terms in which Policy CS24 provides for future development of the Port. In addition, thirdly, it is necessary to consider provision for rail freight transport related to Bristol Port within Policy CS10 and its supporting text on Transportation and Movement.
70. On the first consideration, Bristol Port, extending into both North Somerset and Bristol City, is a major facility of strategic importance where, in line with national policies for economic growth and for ports, a Deep Sea Container Port has been approved and is proposed for construction once the economic situation improves. Meanwhile, the RPD within North Somerset is particularly essential to the Port meeting its statutory obligation to accommodate ships that require to use the Port. There is no dispute that there should be no hindrance to the RPD maximising its potential and that additional land within North Somerset may be required for Port expansion. In this connection it has been suggested that there should be a review of the Green Belt boundary to remove any undue constraint.
71. However there is already some 16ha of safeguarded land between the southern Port boundary and the M5 Motorway at Court House Farm. This was removed from the Green Belt in the adopted Local Plan. There is no specific or detailed evidence of Port expansion proposals. Accordingly there is nothing to say that the safeguarded land will in practice be required within the CS period, or that it would be unsuitable or too small in area for the future development needs of the Port as a whole, or to the realisation of the full potential of the RPD in particular.
72. It follows that, as for the Airport (above), there are currently no exceptional circumstances to justify a review of the Green Belt boundary in the vicinity of Bristol Port, given an equivalent provision of the dRSS requiring the removal of the Green Belt between the Port and the M5 now carries limited weight. With respect to the RPD, Policy CS6 is sound as submitted.
73. On the second consideration, when Policy CS24 is read with its supporting text, Priority Objective 3 and para 1.18, within the context of the CS as a whole, support for the maintenance and enhancement of the Port is evident, including by way of the safeguarded land at Court House Farm. The provision of the second paragraph of Policy CS24 and para 3.299 for further development on the safeguarded land to be subject to the Site Allocations DPD and a Port Masterplan, but with no support for further Port expansion, provides a justifiable basis for any Port development in the circumstances. Policy CS24 is therefore also sound as submitted.

74. On the third consideration, it is accepted that CS10 on Transportation fails expressly to support the movement of rail freight which is important to the function of Bristol Port. **MM05** and **MM06** to CS10 and its supporting text correct this omission and are necessary to the effectiveness of the CS in this respect.

Conclusion on Issue 2 – Spatial Distribution of Development

75. For the foregoing reasons, it is reasonable to conclude that, with the modifications specified, the CS sets out an appropriate, justifiable and effective overall spatial strategy for North Somerset, including the control of development at specific settlements and at Bristol Airport and the Royal Portbury Dock. However, that is subject to regular review of both employment and housing needs and of the balance of jobs and homes actually achieved in practice. Provision for such review is made by modifications already identified under Issue 1 (above).

Issue 3 - Whether the CS makes appropriate provision for the delivery of the development it promotes and for the necessary accompanying infrastructure and its funding

[Examination Issues 4a-g Hearing 3]

76. The housing delivery trajectory of the CS is ambitious especially for Weston Villages. However the evidence of past performance and the SHLAA of 2011 indicate that it is achievable within the context of five-yearly review of the operation of the employment-led CS and the surplus supply discussed in connection with Issue 1 (above). It is evident that there is a potential excess capacity of some 3,000 units over the 14,000 requirement as well as a short-term supply of over 6 years to meet the 20% addition to the five year supply envisaged by the dNPPF. The future Sites and Policies DPD provides an opportunity to test further the ultimate deliverability of individual sites. Meanwhile the SHLAA provides sufficient strategic indication of potential delivery of sufficient housing to meet current needs.
77. Proposals for infrastructure, including flood defence, transport and other community facilities within the Infrastructure Delivery Plan [ED/12] to support the required employment and housing development in the CS period are also ambitious. There is evidence though, including by way of a current Infrastructure Funding Model produced by NSC for the examination [HD/20p], that a good start has been made in accruing funds for flood defence measures at WsM. Furthermore, during the examination it was confirmed that five major transportation projects, including improvements to the capacity of M5 Junction 21 and transport links south of Bristol, had been secured. On the information presently available, funding can be secured for at least the facilities categorised as critical and necessary to the effectiveness of the CS. Detailed funding proposals are deferred to developer contributions by way of planning obligation or Community Infrastructure Levy (CIL) as appropriate. **MM04** to Policy CS10 is necessary to acknowledge the potential importance of rapid transit systems within the range of services. With that sole modification, the CS provides appropriately for the delivery of development and infrastructure, in particular by way of Policy CS34 incorporating PC48-55.

Issue 4 - Whether the CS makes appropriate provision for Affordable Housing

[Examination Issue 1e Hearing 4]

78. Policy CS16 as submitted incorporates PC19-23 to include affordable rented housing in line with government guidance. **MM17** to para 3.220 provides a substantial degree of flexibility in the negotiation of affordable housing contributions, beginning with a District-wide policy target of 30%, split 82% social rented and 18% intermediate. Thus, where the target 30% contribution is not deliverable on viability grounds, there is recourse to available public subsidy and variation of the tenure split before consideration of a reduced percentage. The 30% target is based on a commissioned viability study [SD/24] which also explores prospective two or three-tier split targets between 20% and 40% related to higher or lower value areas. The study assumes a £10,000 per dwelling future CIL contribution.
79. The viability evidence and Policy CS16 are criticised on grounds that the chosen single rate, potentially leading to negotiation on a site-by-site basis, places undue onus on developers to submit site-specific viability information and fails to provide a sufficient degree of certainty. In this connection, it is noted that a high proportion of new housing in North Somerset is likely to be in lower value areas. It is also claimed that planning obligation demands by NSC have been as high as £20,000 to £40,000 per dwelling in the past, compared with the assumed £10,000 CIL figure, whilst developers are faced with the increased building costs of complying with sustainability codes (see also Issue 8 below).
80. North Somerset, in common with several neighbouring Districts, is subject to a very high affordable housing need, well in excess of any practical level of contribution, and can only seek to maximise the proportion of new homes qualifying as affordable. In most cases a variable rate is chosen but proposed and adopted affordable housing percentages are invariably in the same 20% to 40% range.
81. In the case of North Somerset, the single target has the benefit of simplicity in a District where land values and site viability varies widely from place to place and the broad application of a lower target to certain areas might lead to under-provision. Moreover, on past performance the 30% target has proved achievable in many cases and it is expressly supported by some developers engaged in ongoing development projects in the District.
82. Notwithstanding the terms in which past or future planning obligations may be settled, NSC can be expected to base the negotiation of affordable housing contributions on the evidence of its own viability study, including assumed CIL contributions and national sustainability code levels current at the time. Developers can be expected to undertake viability assessments of their own projects in any event.
83. Overall, the 30% District-wide target of Policy CS16, coupled with the high degree of flexibility in its application, provides a justifiable, pragmatic and potentially effective basis for achieving the maximum viable proportion of affordable housing within new developments.

84. Policy CS17 also refers to affordable housing but specifically in relation to exception schemes in small rural communities and is covered in connection with Service and Infill Villages (see Issue 2 above).

Issue 5 - Whether the CS makes appropriate provision for Retail Development

[Examination Issue 4h(ii) Hearing 3]

85. Retail development is covered generally by Policy CS21 incorporating PC28 adding Banwell to the list of local centres. Following the publication of a revised Retail Study in 2011 [ED/13], **MM27** and **MM28** to Policy CS21 are also necessary to update the retail requirements of WsM and provide for retail improvements in centres outside WsM other than Nailsea and Clevedon. In addition, **MM31** to Policy CS29 on WsM town centre is justified to restrict bulky goods to existing retail parks within the Gateway area.
86. The main outstanding concern relates to the identified need for additional large scale food retail floorspace in Portishead which is set to expand but is presently only served by two modest supermarkets. As a result, even though it is established planning policy that Portishead is of equal retail status to Nailsea and Clevedon, only about 63% of food shopping by residents is retained in Portishead compared with over 85% in the other two towns. It is nowhere disputed that this imbalance should be redressed.
87. There is conflicting evidence though as to the appropriate percentage market share to be achieved in Portishead. The NSC Retail Study quantifies need on the basis of 80% as a realistic target, having regard to potential impact on existing facilities, whereas retail operators propose 85%, citing quality as well as quantity of the food retail offer and seeking a larger numerical target or increased flexibility in the text of the CS.
88. It is for the future Sites and Policies DPD and specific planning applications to allocate floorspace and determine impact. Meanwhile Policy CS21 supports town centre regeneration including at Portishead and **MM26** to para 3.268 of its supporting text highlights the need for additional retail floorspace there. More particularly, Policy CS31 supports shopping within an expanded town centre at Portishead to improve the retail offer, whilst para 4.82 with **MM40** sets a broad net target of 14,096 square metres of retail floorspace. There is sufficient flexibility in the terms of these policies and their explanatory text to cater effectively at strategic level for the identified additional retail needs of Portishead. No further modification is necessary to their soundness.

Issue 6 - Whether the CS makes appropriate provision for Tourism Development

[Examination Issue 4h(i) Hearing 3]

89. CS22 incorporating PC29 properly supports the development of facilities and accommodation for both visitors and tourists whether entirely new development or by way of improvement or replacement of existing facilities.
90. There is concern that thriving major rural facilities may not receive the justified degree of support compared with those in urban locations, contrary to the interests of the important tourist economy of North Somerset.

91. However, the broad provisions of Policy CS22 clearly apply across all urban and rural areas of the District and no further modification is necessary. Any site-specific matters are for the future Sites and Policies DPD.

Issue 7 - Whether the CS makes appropriate provision for Sites for Gypsies and Travellers

[Examination Issue 1f Hearing 4]

92. Quantitative provision for gypsy sites in North Somerset within the dRSS is now outdated and a call for sites has been unsuccessful. Policy CS18 is a criterion-based general commitment to provide sufficient sites to meet identified need. These criteria are in line with emerging Government guidance and repeat the established principle that such development is classed as inappropriate (and requiring very special circumstances to justify it) in terms of Green Belt policy.
93. As NSC is currently undertaking an assessment of need for gypsy and traveller sites within the District, it is for the future Sites and Policies DPD to allocate specific sites. Policy CS18 is sound as submitted but **MM21** to para 3.232 of its supporting text is necessary to remove reference to Government Circulars that are to be replaced, and to provide for compliance with fresh Government advice once available.

Issue 8 - Whether the CS makes appropriate provisions under the heading of Living within Environmental Limits

[Examination Issues 3f Hearing 1 and 4h(iii) Hearing 3]

Climate Change and Sustainable Construction

94. Policies CS1 and CS2 set out a range of requirements and guidance to address climate change and carbon reduction by way of sustainable design and construction. These provisions generally comply with national policy but have given rise to some confusion over whether, once adopted as statutory policy, they would duplicate or exceed mandatory targets, in particular those imposed by the Building Regulations and the progressively rising code levels for sustainable homes. The increasing costs of compliance are crucial to the viability of new development, especially with regard to affordable home contributions (see also Issue 4 above). Such uncertainty is therefore to be avoided.
95. It is evident that it is not the intention of the CS to exceed mandatory requirements and that therefore, whilst compliance might be onerous, the cost has to be counted into viability calculations in any event, including the sliding scale for housing sites of fewer than 10 units. However, **MM03** to para 3.28 of the supporting text is necessary to make clear that the CS does no more than follow the national timetable for the delivery of sustainable design standards and that its detailed requirements may need revision to comply with any alteration nationally.

Flood Risk

96. Policy CS3 provides for the application of the Sequential and Exception tests in terms compliant with national policy on flood risk in PPS25.

97. Initial concerns regarding the appropriateness and achievability of proposed flood prevention measures are allayed by evidence of the potential availability of funding and the endorsement by the Environment Agency (EA) of the outline design, in particular for the fluvial flood defence scheme for WSM and the Weston Villages.
98. The EA also accepts the approach taken by NSC that the potential areas of search for the application of the sequential test need not be District-wide but may be determined on the balance of the wide range of planning and socio-economic factors that it is incumbent upon NSC to take into account. It is pointed out that PPS25 allows for such an approach. In the case of North Somerset, this leads to the spatial distribution of development about established settlements, even where this involves the development of some land at higher risk of flooding than rejected alternative locations. There is no evidence of substantial objection in principle to development at any development location nominated by the CS and it is concluded under Issue 2 (above) that the overall spatial strategy is appropriate. It follows that Policy CS3 is sound as submitted with respect to its provisions for flood risk.

Assessment of Legal Compliance

99. My examination of the compliance of the CS with the legal requirements is summarised in the table below. I conclude that the CS meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Core Strategy is identified within the approved LDS March 2011 [SD/13] which sets out an expected adoption date of April 2012. The Core Strategy's content and timing are compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI [SD/08] was adopted in February 2007 and consultation has been compliant with the requirements therein, including the consultation on the post-submission proposed Main Modifications.
Sustainability Appraisal (SA)	SA has been carried out including for all Proposed Changes and Main Modifications and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations Assessment [SD/12] (February 2011) sets out why Appropriate assessment is not necessary at the strategic level of the CS.
National Policy	The Core Strategy has regard to national policy except where indicated and changes are recommended.
Regional Strategy (RS)	The approved RS (RPG10) is outdated but the Core Strategy is in general conformity with it so far as it remains relevant. Reference to the emerging RS is made in the body of this report.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
2004 Act and Regulations (as amended)	The Core Strategy complies with the Act and the Regulations.

Overall Conclusion and Recommendation

- 100. The Plan has a number of deficiencies in relation to soundness for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the Act. These deficiencies have been explored in the main issues set out above.**
- 101. NSC has requested that I recommend Main Modifications to make the CS DPD sound and capable of adoption. I conclude that, with the recommended Main Modifications set out in the Appendix, the North Somerset Core Strategy DPD satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in PPS12.**

B J Sims

Inspector

*This Report is accompanied by an **Appendix** containing the **Main Modifications** [separate document].*