

RT Hon Angela Rayner MP
Deputy Prime Minister
Secretary of State for Housing,
Communities & Local Govt
Correspondence sent via email

Date:24th September 2024

Dear Deputy Prime Minister,

RE: Planning reform and consultation on the proposed revisions to the National Planning Policy Framework (NPPF)

We welcome the Government's commitment to tackling the housing crisis after years of central government neglect and are grateful for the opportunity to contribute to these significant reforms.

Bath and North East Somerset is a beautiful creative place with significant potential for economic growth, centred on our regional ambition to lead on the green economy, creative and digital sectors, maximising our strengths in professional services and advanced manufacturing. Our Economic Strategy, published earlier this year, sets an ambitious ten-year vision; recognising that the acute challenge of housing affordability dramatically curtails our productivity and exacerbates labour shortages. We are also aware of the detrimental effects that unaffordable and often substandard housing has on the welfare and well-being of our residents, especially the most disadvantaged. Our spatial strategy will need to not only focus on planning for and facilitating the delivery of more affordable housing; but will also need to ensure balanced and sustainable growth by enabling the provision of necessary employment land.

We have taken significant steps to address the housing crisis, collaborating with key anchor institutions to form a dedicated housing-focused group, which includes our largest Registered Provider, Curo. Additionally, we established Aequus, our wholly owned housing development company, and B&NES Homes, our in-house Registered Provider, tasked to develop a range of housing solutions to meet local needs. We have a proven track record of delivering sound local planning policies which have helped deliver nearly 10,000 new homes over the last 13 years.

However local authority housing targets and planning policy reform will not in themselves deliver the sustainable and affordable housing that we desperately need. The following six issues must be addressed in parallel:

1. An unrealistic target

The proposed housing targets are a relatively crude calculation based on existing housing stock, affordability and economic potential that currently take no account of the real constraints or internationally and nationally recognised assets.

The city of Bath is a twice-inscribed UNESCO World Heritage site which covers both the city and its green setting. Development beyond our current plans for an additional 5,000-6,000 homes up to 2029/30 puts this status at risk. Therefore, the additional houses proposed (around 12,000 on top of the 14,500 we were already planning for through our Local Plan) will have to be built elsewhere in North East Somerset which would not address the affordability crisis in the city of Bath nor allow homes to be built in the most sustainable areas close to the city.

It is not sufficient to say that the Planning Inspectorate can take these constraints into account when examining plans because that places 100% of the risk on us as the local planning authority. We cannot plan for housing without certainty. We need to agree how our unique situation will be taken into account in advance of rewriting our local plan. **We are asking that government facilitates timely conversations between the local authority, appropriate government departments/agencies and UNESCO to discuss the relationship between World Heritage Site status and planning for sustainable growth in the city.**

2. A regional cross boundary approach is needed

Because of the constraints within Bath we need a much clearer government position in advance of plan preparation which sets out how 'regional' and or other cross boundary issues will be dealt with. Our housing and labour markets go beyond Bath and North East Somerset to the wider Combined Authority area (including Bristol and South Gloucestershire) as well as to North Somerset, Somerset and Wiltshire. **There needs to be sufficient flexibility within the planning system to establish and adjust targets across the region ensuring our ability to develop our plans is not frustrated or delayed.**

3. Funding for affordable homes

We are unique (outside of London) in that over 70% of our assessed housing need in the city of Bath is for those who cannot afford market housing. Delivering this proportion of affordable housing is unlikely to be viable and therefore to address the need significant Homes England funding will be required to secure 'additionality'. The current affordable homes programme (AHP) is mostly allocated. **If we are going to address housing need funding will have to be significantly higher in the next programme.** In order to deliver affordable housing to address need in Bath, between 2022 and 2042, this would require around £250M of funding subsidy. In addition, the term of the funding programme needs to be longer, to reflect the fact that meeting the high housing target will likely require more challenging developments, such as new settlements, which will not be deliverable within the existing short window of the Homes England AHP

4. Infrastructure

Housing supply must be supported by the necessary infrastructure such as transport, utilities, flood defences, health and educational facilities. Existing levels of investment, including through developer contributions, do not deliver what is already desperately needed.

Bath and North East Somerset and the wider West of England area have prioritised the need to embark on a carbon neutral Local Transport Plan (LTP) and have been awaiting DfT guidance since it was first announced in March 2022, with expected publication Autumn 2023. Release of this guidance is pivotal to achieving our climate emergency targets and supporting sustainable housing growth.

Currently, a significant barrier to delivering the necessary infrastructure to support housing growth across Bath and North East Somerset is the inability to incorporate housing growth infrastructure requirements into our LTP. Whilst we have not been party to the updated guidance on LTP's we are led to believe that housing growth infrastructure was to form a key part of future LTP's. Formalisation and release of this guidance is critical to us. Without this we are hindered in our ability to effectively plan and seek funding to create sustainable communities. Infrastructure that delivers housing growth should be given greater consideration as part of the appraisal system than is currently the case. In particular, guidance around City Regional Sustainable Transport Settlement (CRSTS) does not currently allow for prioritisation or weighting towards schemes which unlock housing growth and this needs to change.

5. Wider housing / planning reforms

We currently have nearly 2,100 homes with planning permission that are stalled. Unlocking delivery of them will require **radical reforms to both developer contributions (S106) and Compulsory Purchase Orders (CPO)** to ensure that there is greater public control of both land value uplift and build-out rates. Consideration of land purchase costs/'viability' concerns from developers must become a thing of the past. Consideration also needs to be given to making revenue funding available for capital bid formulation on stalled sites or to enable de-risking of challenging sites.

6. Capacity building

After 14 years of austerity the capacity of Bath and North East Somerset Council to both plan and deliver increased levels of housing is severely limited. **Relatively modest investment in local and regional skills and capacity up front is a vital precondition to increasing housing supply.** As you are aware, to help build this capacity we have established a new Housing Mission Delivery Board, chaired by the Chief Executive of Curo. This Board will develop our vision for housing and our plans for delivery. We would welcome working with your department on becoming a trailblazer for new ideas and policy changes that would deliver high-quality, sustainable and affordable housing in our area. **We would also like early discussions with your department on accessing sufficient financial support to enable us to progress our planning of substantially increased levels of growth. Initial estimates suggest additional funding of around £2M is needed to properly plan for the additional growth.**

Without a comprehensive package of housing interventions and greater certainty there is a very real risk that we just repeat the mistakes of the past. Benefits and profits will be retained by the few; whilst design quality, climate, nature and social considerations will continue to be a secondary concern.

Our residents understand the need for more high-quality affordable housing on a realistic scale. Proposals with crude targets, that potentially facilitate unplanned development would be unforgivable.

I would welcome conversations with you and your team and, most importantly, collaborating on delivering the homes our communities desperately need. A detailed technical response to the proposed revisions to the NPPF has been submitted to your department.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Guy', with a stylized flourish at the end.

Councillor Kevin Guy
Leader of Bath and North East Somerset Council