

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Housing and Major Projects Scrutiny Panel	
MEETING/ DECISION DATE:	23 September 2014	
TITLE:	Planning for Student Accommodation Needs	
WARD:	All Bath Wards	
AN OPEN PUBLIC ITEM		
List of attachments to this report: A1. Student Numbers and Accommodation Paper (part of the Strategic Housing Market Assessment) A2. Recent planning policy advice in relation to application for student accommodation in the in the city centre		

1 THE ISSUE

- 1.1 At its July 2014 meeting the Panel requested a paper to outline the Council's approach to planning for the growth of students, more specifically their housing needs. The Panel is aware of the Council Article 4 Direction in respect of controlling the growth HMOs in Bath but would like further information in relation to enabling dedicated accommodation.

2 RECOMMENDATION

- 2.1 That the panel notes that the statutory planning policy approach to this issue is embedded within the Council's Core Strategy (adopted July 10th 2014) and that this will inform decision making on planning applications for new student accommodation

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 There are no resource implications beyond that which have already been subject to scrutiny as part of the Core Strategy process.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 There is no proposal. This report and is for information only.

5 THE REPORT

- 5.1 A great deal of research and analysis is set out in Appendix 1. We pull out the main issues here. This covering Report should also be read alongside Appendix 2 which sets out a very recent planning policy consultation response to two planning applications for student accommodation in the city centre.
- 5.2 Historically the growth of students enrolled in higher education in Bath has outpaced the provision of new accommodation for those students. This was especially the case from the late 1990s to 2011. Some 7% of the total housing stock of the city of 40,000 (2011) is likely to be occupied as student related HMOs. That is about 2,800 units of accommodation.
- 5.3 The strategy for the future is to hold this number constant whilst delivering a further 7,000 dwellings at Bath. This will result in a net reduction of the share of the housing stock that is occupied as such HMOs.
- 5.4 The strategy is not to reduce the number of student related HMOs. The reason for this is that it would require land to deal with both the future growth of students and the past imbalance. To deal with the past imbalance in a meaningful way would have a significant opportunity cost. The additional sites would be taken out of the potential supply for normal housing/affordable housing and employment space.
- 5.5 The level of Green Belt release recommended by the Inspector and now adopted in the Core Strategy is consistent with the quantitative strategy for student accommodation. If he had thought it sound to achieve a greater level of student accommodation provision more brownfield sites would have been needed to achieve this, which means less normal housing and greater level of Green Belt release to compensate.
- 5.6 Whilst there is an argument that building student accommodation over and above that which is necessary to accommodate growth (from 2011) would release HMOs back to the normal housing stock, thus compensating for the additional sites uses, it is not as simple as that. Three key observations are that
- (1) any housing released would be market housing, not affordable housing (although they may be at the more affordable end of the market). Conversely the sites used for student accommodation, that could have yielded some affordable housing, won't, as student accommodation is not subject to affordable housing requirement on site or as a contributions to off-site provision
 - (2) landlords may accept under occupation or fill the vacant bed space with a non-students
 - (3) landlord will change the business plan from wholly student HMOS to wholly non-student HMOs.
- 5.7 Geographically / spatially the Core Strategy seeks to meet the demand for additional accommodation mainly on campus, with the city itself playing a supplementary role when necessary and where appropriate. There is a high risk that if too much off-campus accommodation is provided, it will act as a disincentive for the University of Bath to build additional phases of

accommodation on campus where the impacts are less in terms of the opportunity cost.

- 5.8 The demand from private providers is mostly focused within the Enterprise Area (EA) and on its periphery on the best bus links. At present private sector student accommodation is the most lucrative form of property investment in the city. It provides the best returns for those seeking a revenue stream.
- 5.9 There is a now presumption against student accommodation in the Enterprise Area as set out below.

Core Strategy Policy B5

- 5.10 Outside of the EA each scheme will be considered on its merits.
- 5.11 However, there may be locations within the EA that are acceptable for student accommodation and places outside it that are not. It depends on the opportunity cost (which, outside the EA is more defensible as a reason for refusal if the site is allocated for another use). In all circumstances it also depends on the scale of the scheme and its impact on the implementation of further on-campus phases.
- 5.12 The key information to extract from Appendix 1 is shown below

Demand

- Growth in demand of **3,200** 2011- 2021 with stabilisation thereafter to 2029

Confirmed Supply

- *561 units coming on stream at Newton Park this academic year*
- *704 coming on stream at Claverton Down this academic year*
- 48 units at the Quasar Building
- 327 units under construction at Twerton Mill
- 461 under construction at Green Park House
- 40 units under construction at Widcombe Social club
- 29 units permitted at 1-3 Westgate buildings

This is a total of 2,170 implying a residual need of 1,030 residual to 2021

- 5.13 All of these sites were permitted before the Core Strategy was adopted during a period statutory policy flux and extreme vulnerability. Some of these may have been resisted (or would have been resistible) had the CS been in place.

Other Supply

- 5.14 At Claverton Down the 704 units that have been built form part of an allocation of about 2,000 that has been identified in the Local Plan, leaving a residual capacity of 1,300. 2,400 units are actually promoted by the University at Claverton Down within their estates plan (residual capacity of 1,696).
- 5.15 Based on the frequency and quantity of recent past phases of on-campus development in 2003, 2008 and 2013 we estimate that, realistically, not more than 800-850 could come forward by 2021 as part of a second phase. It would be difficult to defend more than that assumption at the moment. That would represent about half of the residual capacity of 1,696.
- 5.16 Once we add that to the supply to 2021 we arrive at a figure of **2970-3,020**. We assume that these 800-850 units will and can come forward but the Council must work with the University to ensure the delivery this and more if possible.

This results in a residual need of about 180-250

- 5.17 There is no additional capacity at Newton Park (Bath Spa) for additional accommodation although there is programme to replace about 400 aging units on a 1:1 basis at part of phase 3 of the estate plan.
- 5.18 Based on the analysis above we are able to countenance, at present, up to about 200-250 more in city units. Permitting more than that would harm the implementation of the next 800-850 units on campus and skew the spatial strategy for dealing with growth. This is reflected in the advice to Development Management contained within Appendix 2.

Source of supply for final residual of 250

- 5.19 There are a number of planning applications (736 units) and pre-apps* (507) in the system play at the moment.
- James Street West, 190 bedspaces
 - 1-3 James Street West, 115 bedspaces.
 - Hartwells, Upper Bristol Road, 431 bedspaces
 - *Transport Depot, Brougham Hayes, 103 bedspaces.
 - *Site of Old Gas Works, Upper Bristol Road, 404 bedspaces.
- 5.20 Clearly there is more in-city capacity that is needed in the context of the strategy. To permit more than about 250 additional in-city would have consequences for the implementation of phase 2 on campus at Claverton Down and this would upset the delivery of spatial strategy. There would also be an opportunity cost on the affected sites. There is already some prospect that the final phase of capacity at Claverton Down might not be built, based on current demand/ growth assumptions. The figures list above should not be read as being acceptable in urban design terms. Applications aer being assessed and this may reveal the height scale and massing is not

appropriate. Therefore each site might have the potential to yield less than is stated above.

- 5.21 Effectively, the two large sites permitted before the Core Strategy was adopted (Green Park and Twerton Mill, listed at 5.12) may be replacing some of the capacity available at Claverton Down. It is not quite as simple as that though as the timeliness of delivery matters. It is no good having lots of potential on campus that won't come forward for many years.
- 5.22 In addition to all of the above, 375 bedspaces were permitted in 2006 as part of the Crest outline application for BWR, and before all of the sites listed in 5.9 and 5.16 were on the radar. The market has changed significantly since 2006. It is by no means certain that this permitted development will come forward. There are many instances of commercial schemes being permitted but not implemented. We are not aware of operator interest on this specific site. We do not budget for these units coming forward before 2021. They may not come forward at all and the land could revert back to pure residential use. We could not defend these units as being deliverable in the next 5 years at planning appeal in relation to the sites listed in 5.16.

Conclusion

- 5.23 The planning policy framework has been established in the Core Strategy and is now being implemented. Planning policy is to provide new accommodation at the same rate as new needs are generated, and to hold student related HMOs at 2011 levels (but not to reduce those levels). There is a role for both on-campus and in-city student accommodation in achieving this. The majority of needs should be met on campus. Permitting a level of off-campus accommodation that might seek to reduce the number of HMOs has an opportunity cost. There is also no guarantee that there would be a reduction on HMOs. Further, permitting too much in city accommodation would not encourage the University of Bath to build further phases of accommodation on-campus. Planning policy seeks to stop a situation arising whereby on-campus and is left undeveloped whilst valuable city centre and Enterprise Area sites are lost as potential housing and employment sites.

6 RATIONALE

- 6.1 The recommendation is to note the existing situation and the Council's recently adopted, statutory planning policy.

7 OTHER OPTIONS CONSIDERED

- 7.1 This is covered in 5.4-5.5

8 CONSULTATION

- 8.1 The Council's approach to student accommodation has been through statutory plan-making consultation processes and has been and tested at independent examination.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 This covered the Core Strategy as a whole.

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Background papers	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
Please contact the report author if you need to access this report in an alternative format	