

Dorset Council

Purbeck Local Plan (2018-2034)

Response to Inspector's Matters, Issues and Questions

Matter B: Housing need and requirement

7 June 2019

Contents

Matter B: Housing Need and Requirement	3
Issue 1: Housing Need and Requirement (Policy H1)	3
Question 1	3
Question 2	5
Question 3	5
Question 4	7
Question 5	9
Question 6	10

List of tables

Table 1: Variations in Purbeck Local Housing Need calculations	5
Table 2: Neighbourhood Plans	11

Matter B: Housing Need and Requirement

Issue 1: Housing Need and Requirement (Policy H1)

Question 1

The Inspector's Initial Questions [COR02-2019-04-05] sought comments from the Council on the implications, if any, of the revisions to the Framework and PPG made in February 2019 for the examination of the Purbeck Local Plan.

In its response [COR03-2019-04-12] the Council advised that, in so far as the revisions included confirmation in the PPG that 2014-based household projections should be used to provide the demographic baseline when applying the standard method of calculating housing need and given that the housing need of 168 homes per year indicated in the Local Plan was calculated using 2014-based household projections, as set out in the Strategic Housing Market Assessment (SHMA) Update for Purbeck [SD20], it considers that the calculation of housing need is in line with the revised PPG.

In the light of the above has the housing need figure of 168 homes per year indicated in the Local Plan been properly assessed having regard to the Framework and the standard methodology set out in the PPG, particularly in relation to:

- setting the baseline;
 - the adjustment to take account of affordability; and
 - capping the level of any increase?
1. Yes. The housing need figure has been assessed following the standard methodology set out in the PPG, as explained in the Strategic Housing Market Assessment (SHMA) Update for Purbeck [SD20].
 2. The SHMA Update (para 2.5) identifies a demographic baseline need for 118 dwellings per annum over the period 2016 to 2026, based on the 2014-based household projections.
 3. An affordability adjustment factor of 142% is applied, based on the 2016 affordability ratio for Purbeck of 10.79 (para 2.9 of the SHMA Update). This leads to an overall housing need of 168 dwellings per annum (para 2.12 of the SHMA Update).
 4. At the time of making the calculation, the Purbeck Local Plan Part 1 (PLP1) was more than 5 years old, and the PPG¹ therefore indicates that the local housing need figure should be capped at 40% above whichever is the higher of the projected household growth for the area (i.e. the demographic baseline referred to above) or the average annual housing requirement figure set out in the most recently adopted strategic policies.

¹ PPG Reference ID: 2a-004-20190220

Matter B: Housing Need and Requirement

5. The most recently adopted strategic policies for Purbeck are those set out in the PLP1. This identifies a requirement for 2,520 dwellings over the period 2006-2027, leading to an annual average housing requirement of 120 dwellings per year. This is higher than the projected household growth for the area of 118 dwellings per year. The local housing need figure for Purbeck is therefore capped at 40% above 120 dwellings per year, which is 168 dwellings per year.
6. The calculation of the housing need following the standard method leads to an annual need of 168 dwellings per year over the period 2016 to 2026. The annual number of 168 dwellings per year is applied to the whole plan period, in line with the PPG². This equates to a need for 2,688 dwellings over the plan period of 2018 to 2034.
7. The Purbeck Local Plan has been prepared in the context of significant changes to national policy and guidance in relation to the calculation of housing need. The Council notes that the PPG states that the current year should be used as the starting point from which to calculate growth over the plan period³. The PPG also states that “Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised *where appropriate*” (emphasis added)⁴.
8. The Council’s approach to calculating the minimum housing need has used a base date of 2016, and the 2016 affordability ratio. This approach is considered appropriate because:
 - This was the approach taken in arriving at the Government’s published figures setting out the local housing need for each local authority area (published in September 2017)⁵;
 - The preparation of the Purbeck Local Plan took place during a period of change and uncertainty in relation to guidance on calculating the housing need; and
 - The Council calculated the effect of various start dates and affordability ratios during the preparation of the plan (see table 1 below), and continuing to use the local housing need of 168 homes per year was considered a reasonable approach in the context of changing guidance.

² PPG Reference ID: 2a-012-20190220

³ PPG Reference ID: 2a-004-20190220

⁴ PPG Reference ID: 2a-008-20190220

⁵ See the Planning for the right homes in the right places consultation:

<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

	New methodology (published Sep 2017)	New methodology with 2014-based forecasts and 2017 affordability data ⁶		New methodology with 2016-based forecasts and 2017 affordability data	
	(2016-26)	(2016-26)	(2018-28)	(2016-26)	(2018-28)
Local Housing Need for Purbeck	168	170	184	152	164

Table 1: Variations in Purbeck Local Housing Need calculations

Question 2

The PPG indicates that there is an expectation that the standard methodology will be used to assess housing need and that the standard methodology is designed to address projected household growth and historic under-supply. In the light of this are there any exceptional circumstances to justify an alternative approach for calculating housing need to the standard methodology as set out in the PPG⁷?

9. No. The PPG⁸ states that there is an expectation that the standard method will be used, and the Council does not consider that there are any exceptional circumstances to justify the use of an alternative approach. The standard method of calculating the minimum housing need was therefore the approach deemed appropriate for the Council to take, as outlined in the response to question 1 above.

Question 3

The PPG indicates that the standard method for assessing housing need provides a minimum starting point in determining the number of homes needed in an area. It also indicates that that there may be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

(a) Are there any circumstances to indicate that it might be appropriate to plan for a higher housing need figure in the area covered by the Purbeck Local Plan than the standard method indicates?

10. No. The PPG⁹ identifies circumstances where it might be appropriate to identify a higher housing need figure, including, but not limited to situations where increases in housing need are likely to exceed past trends because of:
- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);

⁶ The figures shown for 2014-based forecasts and 2017 affordability data are 'uncapped'. If the cap is applied, as per planning practice guidance, the figures reduce to 168 for 2016-26 and 180 for 2018-28.

⁷ PPG Reference ID: 2a-003-20190220

⁸ PPG Reference ID: 2a-003-20190220

⁹ PPG Reference ID: 2a-010-20190220

- strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
 - an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.
11. The Council explains its position in relation to potential unmet housing need from neighbouring authorities in response to Question 5 below. There are no growth strategies or strategic infrastructure improvements planned in the area covered by the Purbeck Local Plan which would be likely to lead to an increase in the homes needed. The Council does anticipate that infrastructure improvements will be made at and in the vicinity of the Dorset Innovation Park Enterprise Zone, to be funded through retained business rates. The detail of how these retained business rates will be spent has not yet been agreed, but it is envisaged that the focus will be on the provision of infrastructure necessary to unlock economic development within the Dorset Innovation Park. This is not likely to lead to a need for additional homes, beyond those already provided for in the Purbeck Local Plan (2018-2034).
 12. The SHMA Update [SD20] includes consideration of future employment in the Purbeck area and the link to housing¹⁰. The analysis in the SHMA Update considers three economic forecasts, covering baseline, trend and strategy scenarios. The baseline scenario was prepared using a Local Economy Forecasting Model by Cambridge Econometrics, whilst the trend and strategy scenarios were developed from baseline data by the former Dorset County Council, in consultation with Dorset local authorities.
 13. Paragraph 3.9 of the SHMA Update [SD20] explains that, across Eastern Dorset¹¹ as a whole, the baseline scenario forecasts the lowest jobs growth (40,600 jobs), with the trend scenario forecasting nearly 4,000 more jobs, and the strategy scenario forecasting nearly 12,000 more jobs over the period 2013 to 2033. However, the forecasts provide a different distribution at local authority level to reflect local circumstances and growth potential in each area. In Purbeck, the trend and strategy scenarios both project a growth of 1,700 jobs, which is a lower projected growth than the baseline scenario (3,100 jobs).
 14. The SHMA Update [SD20] considers the level of housing that might be required for the job growth forecasts to be met. It concludes that there is “a range of economic-led housing need for Purbeck of 151-157 dwellings per annum for the trend and strategy scenarios, and 185-192 dwellings per annum for the baseline scenario” (para 3.26 of the SHMA Update [SD20]).
 15. The trend and strategy scenarios are considered to give a more realistic projection of likely jobs growth in the Purbeck area, as compared to the baseline scenario. The housing need for Purbeck calculated using the standard method is 168 dwellings per year, and this is sufficient to support future economic growth in Purbeck under the trend and strategy scenarios. As such, the Council considers that there is no justification to

¹⁰ Section 3 of the Strategic Housing Market Assessment (SHMA) Update for Purbeck [SD20].

¹¹ The SHMA Update [SD20] was prepared before local government reorganisation in Dorset. It refers to the Eastern Dorset Housing Market Area which comprised the former local authority areas of Bournemouth, Christchurch, East Dorset, North Dorset, Poole and Purbeck.

increase the housing target above the standard method figure on the basis of housing required to support economic growth.

(b) Should the housing requirement figure indicated in policy H1 provide for further flexibility over and above that derived from the application of the standard methodology to calculate housing need?

16. Policy H1 states that “Over the plan period of 2018 to 2034, *at least* 2,688 homes will be required to enable the District to meet its identified housing need, equivalent to 168 homes per year” (emphasis added). As such, the Council considers that the policy includes flexibility to allow for the provision of a higher number of homes, where these meet all policy requirements as set out in the plan.
17. The Council has included estimates of supply from windfall and small sites next to existing settlements within the plan’s overall housing land supply, as summarised in policy H2. Windfall has historically played a significant role in housing delivery in the Purbeck area, as set out in the Housing Background Paper [SD19] (pp25-26). The windfall estimate included in the plan’s housing supply is relatively conservative, at 46 homes per year compared to average windfall delivery of 75 homes per year over the past 11 years (Five year housing land supply report [SD38a], paragraphs 36-40). It is possible that a larger number of homes (i.e. more than 46 per year) could be delivered through windfall development where these meet all relevant policy requirements.
18. The Council is proposing to introduce additional flexibility through the new policy H8 (small sites next to existing settlements), which would allow small sites (up to a maximum of 30 homes) to come forward providing these meet specific criteria. The Council has estimated that an average of 17 homes a year could be delivered through this policy. This is considered a reasonable estimate based on information available in the Strategic Housing Land Availability Assessment (SHLAA) [SD22]. However, it is difficult to estimate the likely impact of policy H8, given that such an approach has not been used previously in Purbeck. It is possible that a larger number of homes (i.e. more than 17 per year) could be delivered through small sites next to existing settlements, where these meet all relevant policy requirements. The Council will monitor progress on delivery of homes on small sites, as set out in the monitoring framework in Chapter 7 of the Local Plan.

Question 4

Is there any evidence to indicate that the housing requirement figure should be set at a lower level than the standard methodology need figure due to constraints such as the Area of Outstanding Natural Beauty (AONB), Green Belt and/or protected habitats sites?

19. No. The Council considers that the evidence base and appraisals submitted alongside the Purbeck Local Plan demonstrate that the local housing need can be met in full, without significant adverse impacts on environmental and policy designations, including the Area of Outstanding Natural Beauty (AONB), Green Belt, or protected habitats sites. The Sustainability Appraisal [SD02], Habitats Regulations Assessment [SD03], Environmental and infrastructure capacity study [SD16], Housing background paper [SD19] and Green Belt study [SD24] are all particularly relevant in this regard.

Area of Outstanding Natural Beauty

20. The Purbeck Local Plan does not seek to allocate any housing sites within the AONB. Housing development within the AONB will therefore be limited to windfall development and small sites, and the housing site allocations in the adopted Swanage Local Plan. Any proposals for windfall and small sites development will need to meet all relevant policy requirements, including those set out in Policies E1 (landscape) and H8 (small sites next to existing settlements) of the Purbeck Local Plan, and national planning policy in paragraph 172 of the Framework. The Council considers that this approach will ensure that the housing provided for in the plan does not lead to any significant adverse impacts on the AONB.

Green Belt

21. The Purbeck Local Plan proposes to remove land from the Green Belt at Lytchett Matravers, Upton and Wareham to support the overall strategy of spreading housing development across the plan area. As explained in the Housing Background Paper [SD19], the Council could theoretically deliver Purbeck's local housing need without making changes to green belt boundaries, by concentrating development in Wool and Moreton Station / Redbridge Pit. However, this approach is not seen as reasonable, as the preferred strategy should:
- deliver a spread of new homes across the plan area, where they are needed;
 - deliver a resilient supply of new homes;
 - limit the impacts of new homes on existing infrastructure; and
 - provide an opportunity to maintain and enhance rural communities.
22. The Council's Green Belt study [SD24] concludes that, in a small number of instances, a case for exceptional circumstances could be demonstrated to amend the Green Belt boundary to allow for housing. In preparing the plan, the Council has considered alternatives to Green Belt release, and is satisfied that there are exceptional circumstances to justify the proposals to remove land from the Green Belt (which spreads development more evenly across the plan area). These exceptional circumstances are summarised in paragraph 47 of the plan [SD01a]. The Council does not consider that removing land from the Green Belt around Lytchett Matravers, Upton and Wareham will irrevocably harm the purpose, or undermine the function, of the South East Dorset Green Belt.
23. In summary, the Council does not consider that it would be appropriate to plan for a lower housing requirement on the basis of Green Belt constraints. Purbeck's local housing need could theoretically be met without Green Belt release but this approach would not be in accordance with the plan's overall strategy of spreading development as much as possible. It is the Council's view that the Green Belt release proposed in the plan will not irrevocably harm the purpose, or undermine the function, of the Green Belt.

Protected habitats sites

24. The Habitats Regulations Assessment (HRA) [SD03] considers the impacts of the Purbeck Local Plan on internationally protected habitats sites, including those relating to heathlands, Poole Harbour, and coastal habitats. The HRA concludes that “the pre-submission version of the Purbeck Local Plan is in conformity with the Habitats Regulations, and at a plan level a conclusion of no adverse effects on European site integrity can be drawn” (paragraph 8.7 of SD03). The Local Plan includes policies E7 (conservation of protected habitats), E8 (Dorset heathlands), E9 (Poole Harbour) and E10 (Biodiversity and geodiversity) to ensure protection and enhancement of international, national and locally designated sites of importance for biodiversity. In light of this, the Council considers that the local housing need can be met in full whilst continuing to protect and enhance protected habitats sites.

Question 5

Is there any evidence of a need to provide for unmet housing needs from neighbouring areas in the area covered by the Purbeck Local Plan having particular regard to the SoCG [SD10a] which indicates that there is a strong possibility that Bournemouth and Christchurch will be unable to meet their needs and that in relation to local authority areas adjoining Dorset unmet housing need is likely to arise from New Forest District?

25. The Council has pro-actively sought co-operation with neighbouring councils on strategic housing matters on an ongoing basis. This engagement has necessarily been based on the information provided by other councils on their housing requirements, their ability to address these requirements, and in Purbeck’s case in progressing the Purbeck Local Plan to submission stage, has focused on those surrounding councils with shared boundaries (including the (former) district councils of: East Dorset, North Dorset and West Dorset, and Borough of Poole Council).
26. As stated in the SOCG [SD10a], the extent to which each area can meet its own needs is not fully understood, but there is a strong possibility that Bournemouth and Christchurch will be unable to meet their needs as a result of their limited geographical areas and significant environmental constraints (paragraph 22 of the SOCG). The SOCG goes on to confirm that “should it prove to be the case that some authorities in the area are unable to meet their identified needs, the local planning authorities are committed to working together to assess the potential for some or all of this need to be met in other authorities’ areas” (paragraph 23 of the SOCG). The Council supports this approach, and considers that any decisions about meeting any unmet housing need should be informed by an appraisal of all reasonable options for the distribution of growth across Dorset (as set out in paragraph 23 of the SOCG). The Dorset Strategic Planning Forum provides the mechanism for constructive and effective future co-operation, once the extent of any unmet need has been precisely quantified.
27. In regard to New Forest District, the published evidence at the time of preparing the Purbeck Local Plan indicates that there is no unmet housing need in New Forest District. New Forest District Council submitted a local plan for examination in November 2018, stating that the submitted local plan addresses local housing need (as defined in the JGC Objectively Assessed Housing Need Study, 2017) of 10,500 new homes in full

through: existing commitments, strategic housing site allocations in the emerging plan, rural exceptions sites for affordable homes and committing to prepare Local Plan Part Two to identify sites for a further 800 new homes¹².

28. In summary, the Council considers that the issue of unmet housing need from the Bournemouth and Christchurch areas is not yet fully understood. The Council is committed to working jointly with Bournemouth, Christchurch and Poole (BCP) Council to appraise options for addressing any unmet need, once this has been quantified. The Council considers that it would be most appropriate for this co-operation to take place as part of the preparation of new local plans for the newly formed unitary authorities of Dorset and BCP Councils.

Question 6

Is the second part of policy H1 which indicates that the Council will work with each of the existing six neighbourhood plan areas, and any emerging or future, neighbourhood plan groups to determine the housing requirement for the designated area consistent with national policy as set out in paragraph 65 of the Framework?

29. Yes. Paragraph 65 of the Framework states that “strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the patterns and scale of development and any relevant allocations”. The Council’s overall strategy for meeting its housing requirement includes local plan and neighbourhood plan allocations, and an allowance for windfall and small sites. This strategy includes an element of flexibility, as small sites are not specifically allocated in the plan, but can instead come forward under policy H8 (small sites next to existing settlements).
30. There are currently six designated neighbourhood areas within the Purbeck area (as set out in table 2 below), and policy H2 of the Purbeck Local Plan identifies a housing requirement for two of these areas (Bere Regis and Wareham). In both cases, the Council has worked with the neighbourhood planning group to identify an appropriate housing requirement for the designated area, and these requirements are set out in Policy H2 of the Purbeck Local Plan [SD01a]. This approach has enabled the Council to take account of local evidence emerging through the neighbourhood planning process, and also means that the Council has confidence that the housing requirements identified for these areas can be delivered. In the case of Wareham, the identified housing requirement includes an allowance for windfall, whereas in the case of Bere Regis, the identified requirement is in addition to development which may come forward as windfall. In both cases small sites could also come forward, where these meet the criteria set out in policy H8.
31. The Council has not identified a housing requirement for the remaining four neighbourhood areas. In the case of Arne and West Lulworth, any housing which may come forward would either be windfall development or on small sites which meet the criteria set out in policy H8. It would not be in accordance with the Council’s overall

¹² Policy 5 of the New Forest District Council ‘Local Plan Review 2016-2036 Part One: Planning Strategy’ submission document, available online at:

https://forms.newforest.gov.uk/ufsac/ufsmain?formid=POLICY_FILES&CURRENTPATH=Policy&ebz=1_1559212978014&ebd=0&ebp=10&ebz=1_1559212978014

Matter B: Housing Need and Requirement

development strategy to allocate a housing number for these areas, since the strategy purposefully includes flexibility for small sites to come forward as and when appropriate opportunities arise.

32. In the case of Lytchett Matravers and Wool, the Purbeck Local Plan does include site allocations for these settlements, but the timing of neighbourhood plan preparation is such that it was not appropriate to identify a housing requirement for the neighbourhood areas. The Lytchett Matravers Neighbourhood Plan was made in June 2017 and does not allocate any sites for housing. The Wool Neighbourhood Area was designated in June 2018 at a relatively late stage in the preparation of the Purbeck Local Plan, and the neighbourhood plan is not seeking to allocate any additional housing sites, beyond those identified in the Purbeck Local Plan.
33. Table 2 below summarises neighbourhood planning progress in each of the six areas, along with the position in regard to housing sites.

Neighbourhood area	Progress with neighbourhood plan	Position with regard to housing sites
Arne	Plan is in preparation and is due to be submitted to Dorset Council shortly.	Plan is not seeking to allocate housing sites.
Bere Regis	Successful referendum. Plan is due to be 'made' by Dorset Council in June.	Requirement for 105 homes is set out in Policy H2 of the Purbeck Local Plan [SD01a].
Lytchett Matravers	Plan was 'made' on 13 June 2017.	Made Neighbourhood Plan does not allocate any sites for housing.
Wareham	Plan is currently at examination.	Requirement for 300 homes (including site allocations and windfall) is set out in Policy H2 of the Purbeck Local Plan [SD01a].
West Lulworth	No current intention to prepare a neighbourhood plan.	No current intention to prepare a neighbourhood plan.
Wool	Plan is in preparation.	Plan is not seeking to allocate additional housing sites, beyond those identified in the Purbeck Local Plan.

Table 2: Neighbourhood Plans

34. In summary, the Council considers that its approach to identifying housing requirements for neighbourhood areas is consistent with paragraph 65 of the Framework. The Council has identified neighbourhood area requirements where it was appropriate to do so. In the cases where a neighbourhood area requirement has not been identified, this is either because doing so would be inconsistent with the Council's overall development strategy, or due to the differing timescales for the preparation of the neighbourhood plans and the Local Plan.