

NORTH DORSET LOCAL PLAN 2011 TO 2026 PART 1

MEETING HOUSING NEEDS

BACKGROUND PAPER

November 2013

This Background Paper is intended to be read and used in conjunction with the other planning background papers that support the Local Plan Part 1.

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1. Purpose

- 1.1 This document is one of a number of background papers produced to support Part 1 of the North Dorset Local Plan that set out the strategic policies for the District for the period 2011 to 2026.
- 1.2 The Local Plan Part 1 has been developed from the Draft Core Strategy and Development Management Policies Development Plan Document (DPD) (also known as the New Plan for North Dorset) which was published in March 2010.
- 1.3 The Local Plan Part 1 has been drafted to reflect recent major reforms to the planning system and to have regard to the recent global economic downturn. It has also been prepared having regard to the results of all previous consultations, including the responses made to the draft Core Strategy.
- 1.4 In light of recent changes and responses to consultation the Council has investigated different ways of delivering positive outcomes for local communities through planning policy and has reassessed the need for future development, particularly housing and employment development.
- 1.5 This background paper provides a general overview of housing issues, including issues relating to affordable housing. It summarises those parts of the evidence base which informed housing policies and also sets out the policy background – at national, regional and local levels – against which plans are prepared.
- 1.6 The background paper is a working document which will be updated as evidence is acquired and the consultation process proceeds. It is based on previous topic papers on the same issue that were originally published in 2009 to support the Draft Core Strategy and updated in 2012 to take into account changes to national planning policy, notably through the provisions of the Localism Act and the National Planning Policy Framework (NPPF) that was published in March 2012.
- 1.7 This background paper has been prepared to support the pre-submission publication version of the North Dorset Local Plan Part 1.

2. Introduction

2.1 This background paper:

- outlines the national, regional and local policy framework in which the Local Plan Part 1 (and formerly the draft Core Strategy) were prepared;
- draws together the results and discusses the issues from the housing-related ‘evidence base’ studies that have been undertaken to support the housing-related policies in the Local Plan Part 1; and
- reports on the outcomes of consultation with the local community as policy has developed.

2.2 The National Planning Policy Framework (NPPF) makes clear that the provision of housing is part of sustainable development and sets out the studies a local authority needs to undertake to establish likely future needs.

2.3 Paragraph 7 identifies a social dimension to sustainable development, part of which is to provide a supply of housing to meet the needs of present and future generations. Paragraph 19 also seeks a sustainable distribution of housing by requiring planning to “focus significant development in locations which are or can be made sustainable”.

2.4 The studies required to ensure that a Council has a “clear understanding of housing needs in their area” are listed in Paragraph 158 of the NPPF. Such studies should enable the Council to have an understanding of: housing needs; the availability of potential housing sites; and the viability of housing provision.

2.5 The Council has undertaken the necessary studies required by the NPPF. The main results of these studies are set out in this paper, which also sets out how this evidence has been taken forward into policy.

2.6 This paper summarises the responses made to consultation as the draft Core Strategy and later the Local Plan Part 1 has progressed. The need to provide housing is recognised by local communities. In particular, one of the priorities of the Dorset Sustainable Community Strategy (SCS), produced by the Dorset Strategic Partnership (DSP) in 2010 is to ensure that “everyone can live in a good quality home and neighbourhood that meets their needs”. This community aspiration is reflected in the vision and objectives of the Local Plan Part 1, but the results of consultation show that views have differed on how this priority should be achieved.

3. National, Regional and Local Policy

National Policy

- 3.1 Planning Policy Statement (PPS 3): Housing, previously set out the Government’s planning policies relating to housing. However, this was replaced by the NPPF, when it was published in March 2012. The NPPF sets out the Government’s objectives for the delivery of housing and the role of plans in achieving these objectives. The main points in the NPPF relating to housing are summarised below.

Delivering Housing

- 3.2 Paragraph 7 of the NPPF indicates that part of the planning system’s social role is to support strong, vibrant and healthy communities “by providing the supply of housing required to meet the needs of present and future generations”.
- 3.3 Local planning authorities are encouraged to use their evidence base to ensure that plans meet “the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework” (i.e. the NPPF). They are also encouraged to identify “key sites which are critical to the delivery of the housing strategy over the plan period”.
- 3.4 Local planning authorities are expected to be able to demonstrate a five-year supply of deliverable housing sites and to be able to identify a supply of specific, developable sites or broad locations for growth for the following five to ten years (i.e. years 6-10 and where possible, for years 11–15).
- 3.5 Local planning authorities should also “plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community” and “identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand”.

Delivering Housing in Rural Areas

- 3.6 Paragraph 55 of the NPPF states that “to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are groups of smaller settlements, development in one village may support services in a village nearby. Local planning authorities should avoid new isolated homes in the countryside unless there are special circumstances ...”
- 3.7 In rural areas local planning authorities “should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate”. They are also invited to consider whether an element of market housing should be allowed on rural exception sites if it “would facilitate the provision of significant additional affordable housing to meet local needs”.

Delivering Affordable Housing

- 3.8 The NPPF supports the provision of affordable housing, where a local planning authority has identified that it is needed. They should “set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified”.

Other Considerations

- 3.9 Whilst achieving sustainable development still remains very much at the heart of the planning system, the changes from the NPPF set out below provide a much more flexible framework within which local policies relating to infilling (including on residential gardens) and density can be developed.

Brownfield Land and Residential Gardens

- 3.10 Paragraph 36 of PPS 3 adopted a ‘brownfield first’ approach to housing development. ‘Brownfield’ development is still encouraged in paragraph 17 of the NPPF, which states that planning should “encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value”. However, the ‘brownfield first’ approach is no longer in force.
- 3.11 National policy used to regard residential gardens as brownfield sites; however, the glossary of the NPPF (Annex 2) now expressly excludes them from the definition of previously developed land. As they are now considered to be ‘greenfield’ sites, they are not subject to the national policy to encourage development on ‘brownfield’ land.

Housing Density

- 3.12 The national indicative minimum density standard, of 30 dwellings per hectare (30 dph), was deleted when PPS 3 was reviewed in June 2011. Paragraph 47 of the NPPF now indicates that local planning authorities should “set their own approach to housing density to reflect local circumstances”.

Evidence Base Requirements

- 3.13 Local planning authorities should have a clear understanding of the housing needs in their area. With this in mind, paragraph 159 of the NPPF indicates that they should work with their neighbouring authorities, where necessary, to prepare:
- a Strategic Housing Market Assessment (SHMA) across a housing market area. The SHMA should “identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period”; and
 - a Strategic Housing Land Availability Assessment (SHLAA) “to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period”.

- 3.14 In North Dorset both the SHMA and the SHLAA have been updated since the draft Core Strategy was published in March 2010.

Regional Policy

Regional Spatial Strategy for the South West 2006 - 2026

- 3.15 The Localism Act provided the legislative basis for the abolition of regional planning¹. This means that the 'emerging' Regional Spatial Strategy (RSS) for the South West will not now proceed to adoption. The draft RSS was produced in June 2006 and following an examination in public the Secretary of State produced 'Proposed Changes' to the draft RSS in July 2008. Although the draft policies in the 'emerging' RSS are no longer being taken forward, some of the evidence that underpinned them remains relevant.

Defining Housing Market Areas

- 3.16 The 'emerging' RSS set out general policies for the region but also included sub-regional policies based on Housing Market Areas (HMAs). Work was undertaken to try and define the HMA boundaries, but as Figure 3.1 shows, there is considerable overlap between 'functional' HMAs and they do not fall directly within local authority boundaries.
- 3.17 Four HMAs impact on Dorset:
- **Weymouth – Dorchester:** The Weymouth Dorchester sub-regional housing market is a small sub-regional housing market comprising Weymouth and Portland and the southern parts of West Dorset District;
 - **Bournemouth - Poole:** The Bournemouth / Poole / Christchurch conurbation is the second largest urban area in the South West. Its sub-regional housing market covers the urban area, all of Purbeck district, much of North Dorset, East Dorset and extends into the New Forest District of the South East region;
 - **South Somerset – West Dorset.** This comprises a small sub-regional housing market focused on Yeovil and Sherborne and including much of South Somerset and the northern part of West Dorset. Western parts of the market will experience the pull of the Taunton sub-regional housing market;
 - **Salisbury:** the Salisbury sub-regional housing market is focused on Salisbury itself, but extending westwards to Shaftesbury, northward to Amesbury and eastwards into Test Valley district in the South East region.

¹ The Regional Strategy relevant to Dorset (which has now been revoked) consisted of: Regional Planning Guidance for the South West (RPG 10), which was published by the Government Office for the South West (GOSW) in September 2001; and The Regional Economic Strategy for South West England 2006 – 2015, published by the South West Regional Development Agency (SWRDA) in May 2006

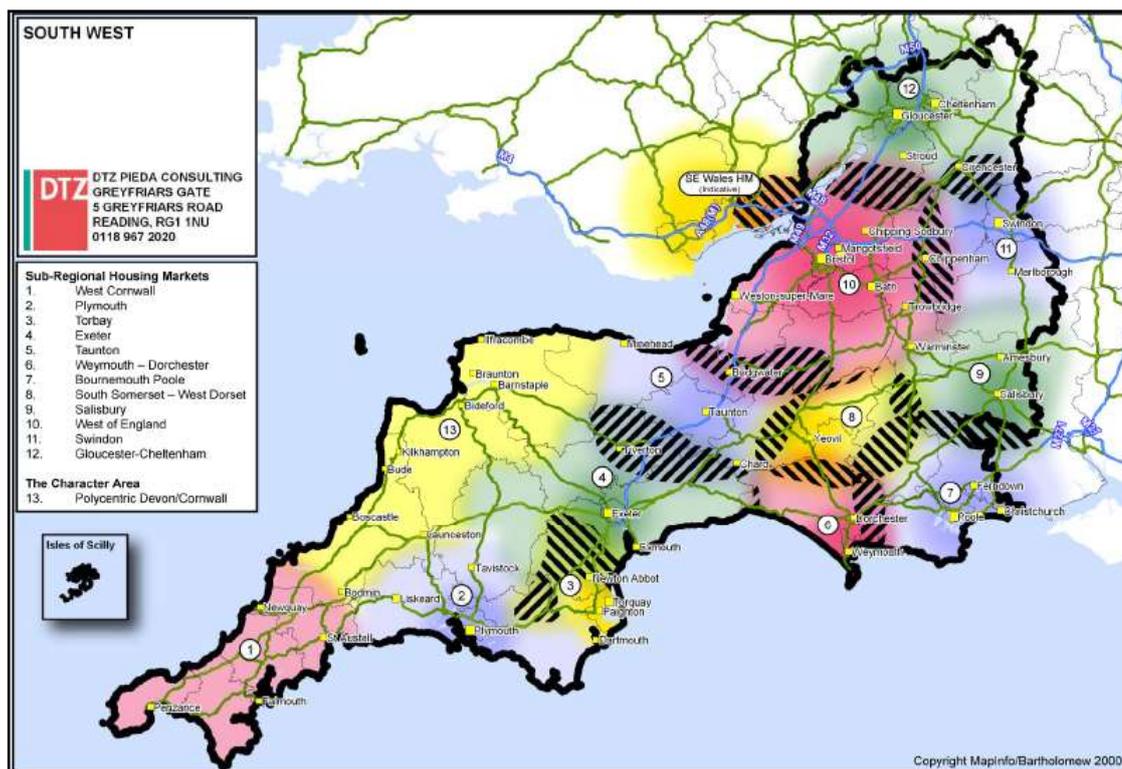


Figure 3.1: South West RSS sub-regional Housing Market Areas

- 3.18 The evidence shows that in terms of how housing markets function, North Dorset forms part of: the Bournemouth and Poole HMA; the Salisbury HMA; and the South Somerset – West Dorset HMA. For the purposes of the ‘emerging’ RSS, HMAs were defined along administrative boundaries and for planning purposes, North Dorset is defined as falling entirely within the Bournemouth and Poole HMA.
- 3.19 The main evidence base studies to inform housing policy in North Dorset have been undertaken on the basis of this HMA, which includes the whole of the local authority areas of Bournemouth, Christchurch, East Dorset, North Dorset, Poole and Purbeck.

Draft Regional Core Spatial Strategy

- 3.20 The ‘emerging’ RSS also included a ‘core spatial strategy’ (Policy CSS), which sought to distribute development, including housing, in accordance with a ‘spatial hierarchy’ of settlements. It was envisaged that the primary focus for development would be the regions 21 ‘Strategically Significant Cities and Towns’ (SSCTs), none of which are in North Dorset. The ‘emerging’ RSS envisaged that outside of the SSCTs, the focal points for locally significant development would be a defined network of ‘Market and Coastal Towns’ and the focus for development in the wider countryside would be a defined network of ‘Small Towns and Villages’.
- 3.21 When the draft Core Strategy was prepared, a considerable amount of work was done to try and apply the regional ‘spatial hierarchy’ to the settlements of North Dorset and to set housing provision figures in accordance with this approach. The

abolition of regional planning means that this is no longer required and the Council has had the opportunity to reconsider both its spatial approach to growth and the proposed distribution of future housing development based on the 'higher level' policy framework provided by the NPPF.

Housing Provision

- 3.22 The 'emerging' RSS made provision for at least 7,000 dwellings to be built in North Dorset between 2006 and 2026, but provided no further detail on their distribution within the District. The future need for housing across Dorset has been re-examined in an updated SHMA (2012) and with a revised start date for the Local Plan Part 1, it is now considered that 4,200 dwellings should be built in North Dorset between 2011 and 2026.

Affordable Housing Provision

- 3.23 Housing affordability is a key issue across the South West and Policy H1 indicated that at least 35% of housing across the region should be affordable. Policy 8 in the Local Plan Part 1 seeks: 40% across most of the District; 30% in Gillingham; and 35% within the Gillingham Strategic Site Allocation (SSA), subject to more detailed local viability work.

Other Issues

- 3.24 The 'emerging' RSS also set out a range of policies to control the impact of proposed growth, dealing with issues such as reuse of previously developed land and residential density. These matters are now dealt with in the NPPF, as discussed above.

Gypsies and Travellers

- 3.25 The 'emerging' RSS identified a requirement for 37 residential pitches and 20 transit pitches for Gypsies and Travellers in North Dorset in the period up to 2011 and a need for 2 pitches for Travelling Show People in the whole of the Dorset sub-region. The 'emerging' RSS also indicated that Councils should make provision for longer-term needs on the basis of updated data on Gypsy, Traveller and Travelling Showpeople requirements, or in the absence of such data, on the basis of 3% compound growth in population per annum.
- 3.26 A Gypsy, Traveller and Travelling Showpeople Site Allocations Joint DPD is being prepared by local authorities in the Dorset sub-region, which was informed by the 'emerging' RSS and more local assessments of need, including a Gypsy and Traveller Accommodation Assessment (GTAA) for the whole of Dorset. Consultation on issues and options took place between November 2011 and February 2012.
- 3.27 A new assessment of need is currently being produced on the basis of new Government guidance 'Planning Policy for Traveller Sites'. This indicates that "local planning authorities should make their own assessment of need for planning

purposes” reflecting the fact that it is no longer intended to set such figures through the regional planning process.

South West Regional Housing Strategy 2005 - 2016

3.28 The South West Regional Housing Strategy was prepared in 2005 to cover the period to 2016. It set out the priority aims for housing in the South West, which were:

- developing housing markets with a range of tenures which improve the balance between supply and demand and offer everyone access to a home they can afford;
- ensure that existing and new homes improve over minimum standards of quality, management and design; and
- ensure that housing makes a full contribution to achieving sustainable and inclusive communities.

Local Strategies and Policy

Dorset Sustainable Community Strategy 2010 - 2020

3.29 The draft Core Strategy was prepared on the basis of the earlier Dorset SCS, which covered the period from 2007 to 2016². The updated Dorset SCS, which covers the period from 2010 to 2020, identifies the priorities for the County with the aim of improving the social, environmental and economic wellbeing of the area and has informed the Local Plan Part 1.

3.30 The strategic priority relating to housing is that “everyone can live in a good quality home and neighbourhood that meets their needs”. This priority focuses on the lack of affordability, which is caused by high house prices and low incomes. The cost of running a home is highlighted, as is the need for sustainable construction techniques to minimise such costs. The SCS also highlights the need for suitable housing to meet the needs of Dorset’s older people.

3.31 At the time the draft Core Strategy was written, the priorities of the SCS were being taken forward in the Local Area Agreement (LAA) for Dorset. The Multi Area Agreement (MAA) for Dorset, Bournemouth and Poole, which largely focused on economic development, also included an objective concerning housing delivery, which was for “more efficient use of land in the urban areas, with the housing stock matched to people’s needs in a higher quality urban environment”.

3.32 The priorities of the Dorset SCS remain important and will continue to underpin the Local Plan Part 1 as it moves towards adoption. This is discussed in more detail in the Vision and Objectives Background Paper.

² Shaping Our Future: The Community Strategy for Dorset 2007 – 2016, Dorset Strategic Partnership (June 2007)

- 3.33 The LAA and MAA are no longer being taken forward. The economic development agenda from these agreements is being taken forward by the Dorset Local Enterprise Partnership (LEP). Housing issues across the wider Dorset Sub-region need to be addressed primarily by local authorities and other bodies to meet their obligations under the Duty to Co-operate. These issues are discussed in more detail in the Council's Duty to Co-operate Statement.

North Dorset Housing Strategy 2012 - 2015

- 3.34 The housing strategy for North Dorset has been updated since the draft Core Strategy was published and now covers the period from 2012 to 2015. It sets out how the Council will address the housing needs of the residents of the District and identifies three priorities, which are:
- Increasing the number of homes available to buy and rent, including affordable housing;
 - Protecting the vulnerable and disadvantaged by tackling homelessness and supporting people to stay in their own homes; and
 - Making sure that homes are of high quality and sustainable.

Interim Position Statements

- 3.35 In January 2011, the Council produced two interim position statements dealing with: housing provision and housing land supply; and affordable housing. A further position statement was produced in February 2011 indicating that the Council would no longer use its Planning Guidance Note (PGN) as a basis for seeking developer contributions towards certain projects³.
- 3.36 These interim position statements were produced in response to the reforms of the planning system at the time and have assisted the Council in taking forward its review of the draft Core Strategy. They will continue to be used in planning decisions, where relevant and appropriate, until the Local Plan Part 1 is adopted.

Interim Position Statement on Housing Provision and Housing Land Supply

- 3.37 The interim position statement on housing provision and housing land supply indicated that the Council would use the average annual rates of provision in the Initial Draft of the 'emerging' RSS (produced in June 2006) as the starting point for a review of housing numbers. These figures (often referred to as the 'Option 1' figures) proposed 255 net additional dwellings per annum (dpa) between 2006 and 2026.
- 3.38 More up-to-date evidence of need has been gathering through the update (2012) of the Strategic Housing Market Assessment (SHMA), which suggests an average annualised rate of 280 dwellings per annum, which the Council now uses for the

³ The interim position statements can be viewed at - <http://www.dorsetforyou.com/interimposition/north>

purposes of monitoring housing land supply. This figure also provides the basis for the District-wide housing provision figure of 4,200 homes over the period 2011 to 2026 set out in Policy 6 – Housing Distribution, of the Local Plan Part 1.

Interim Position Statement on Affordable Housing

- 3.39 The interim position statement on affordable housing included a preliminary review of draft Core Policy 9 reflecting the changes to the planning system at that time. The preliminary review concluded that draft Core Policy 9 remained an appropriate approach to the provision of affordable housing although it also suggested certain amendments in relation to site-size thresholds (above which affordable housing is sought), viability assessments and off-site contributions.
- 3.40 The interim position statement on affordable housing has been used to inform the further review of affordable housing policy required as a result on further changes in national policy (such as the introduction of the Affordable Rent product) and the reform of grant and other funding regimes.

4. Evidence Base Studies

- 4.1 To inform the production of the draft Core Strategy (and subsequently the Local Plan Part 1), the Council commissioned various ‘evidence base’ studies. The three main studies undertaken were:
- **Bournemouth / Poole Housing Market Area Strategic Housing Market Assessment (SHMA).** The SHMA was originally produced in March 2008 and included an HMA-wide survey of housing need and demand and an assessment of the housing market and housing needs for North Dorset. An updated SHMA and an updated summary report for North Dorset were produced in January 2012;
 - **North Dorset District Council Affordable Housing and Residential Economic Viability Study (the viability study).** This study provided an assessment of the viability of residential developments across the District and set out recommendations on the proportion of affordable housing that should be sought on sites and the size of site (or threshold) above which affordable housing should be sought. The work was commissioned jointly by five Dorset authorities and the final report for North Dorset was published in January 2010; and
 - **North Dorset Strategic Housing Land Availability Assessment (SHLAA).** The SHLAA for North Dorset assesses the availability of suitable land for residential development across North Dorset. It was originally published in February 2009 with a base date of 2007 (updated to 2008). An updated SHMA was produced in August 2011 with a base date of 2010 (updated to 2011).
- 4.2 The production of these studies required joint working with neighbouring local authorities. The arrangements for joint working and the consultation exercises undertaken in relation to these three studies are discussed in more detail in the Council’s Duty to Co-operate Statement.
- 4.3 This section also includes additional evidence on:
- housing affordability;
 - the potential for housing development on previously developed land; and
 - housing density.
- 4.4 The Council has worked together with all other local councils in the Dorset Sub-region to assess the accommodation needs of Gypsies, Travellers and Travelling Showpeople. An initial accommodation needs assessment was undertaken in 2007 by Anglia Ruskin University and this information fed into the policies of the emerging RSS.
- 4.5 In 2012, Opinion Research Services (ORS) were commissioned to produce an updated assessment of accommodation needs reflecting more recent national policy in the NPPF and the associated national Planning Policy for Traveller Sites.

- 4.6 More information on the background to these studies is given in the Council's Duty to Co-operate Statement.

Strategic Housing Market Assessment (2008)

- 4.7 The Bournemouth / Poole Housing Market Area Strategic Housing Market Assessment (SHMA) was prepared in accordance with national policy and guidance at the time, including PPS 3 - Housing (November 2006 version) and the Government's SHMA Practice Guidance (published in March and updated in August 2007).
- 4.8 The guidance indicated that the main purposes of the SHMA, in relation to policy development, are to:
- develop long term strategic views of housing need and demand;
 - help plan for a mix of household needs;
 - assist local authorities in setting the level of affordable housing that should be sought; and
 - assist local authorities with a range of housing decisions with the ultimate aim of meeting the needs for housing through a better understanding of the housing market.

Housing Market Areas

- 4.9 The evidence gathered at the local level showed that housing market areas in Dorset followed the broad sub-areas identified at the regional level. For the Bournemouth and Poole housing market, 'core' and 'periphery' areas were identified, beyond which there is the 'North West Dorset' area, covering parts of North and West Dorset Districts.
- 4.10 Figure 4.1 below shows that the northern part of the District, including the towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge, look towards Yeovil and Salisbury and lie within the 'North West Dorset' functional HMA. The southern part of the District, including Blandford lies within the 'Bournemouth & Poole periphery' functional HMA.
- 4.11 The 2008 SHMA study concluded that Yeovil played "a more dominant role than Salisbury in the north of the County" and "that the housing market in the north and west of the County is more closely aligned to Yeovil than to Bournemouth or Dorchester."
- 4.12 For ease of monitoring and in accordance with Government advice, the 2008 SHMA (and the 2012 Update) undertook an analysis of housing markets based on local authority administrative boundaries. However, both SHMA studies also had regard to the regional and more local evidence of how housing markets function in practice.

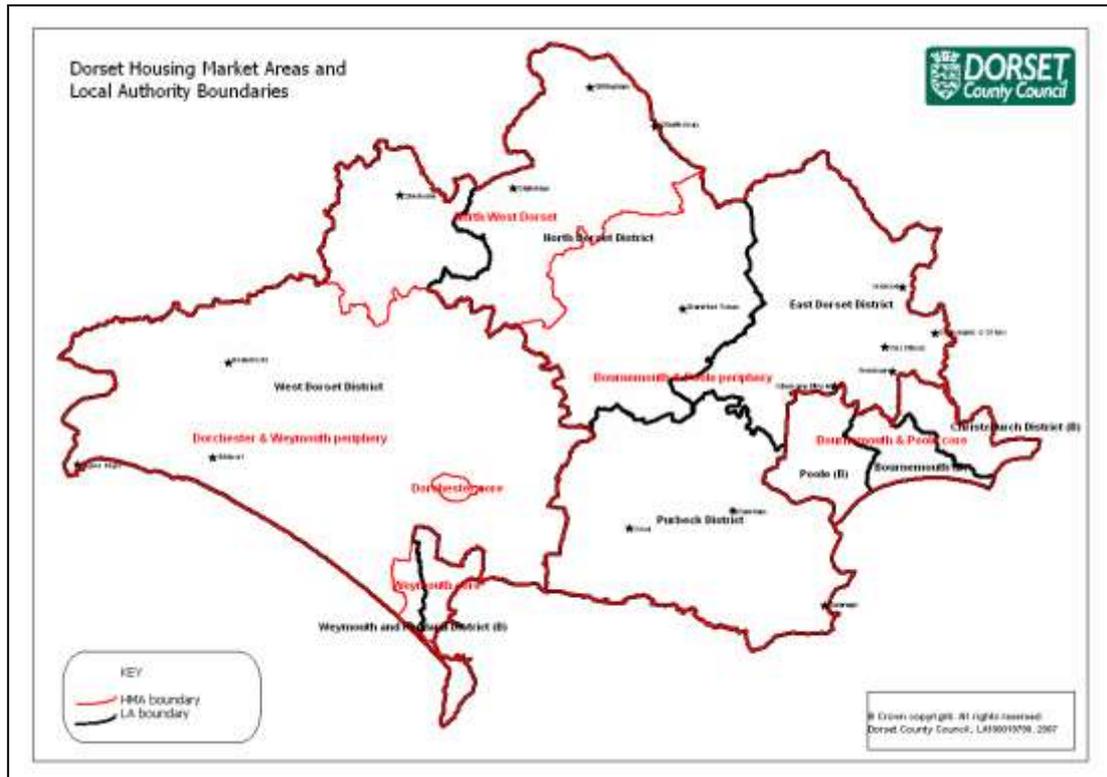


Figure 4.1: Dorset Housing Market Areas

Housing Market Conditions

- 4.13 The 2008 SHMA study was prepared against the background of a housing market where house prices had risen consistently over a long period of time. The 2008 SHMA study showed that the increase in average house prices in the District over the period 2001 to 2006 was 65%. In 2006 house prices in the District were about 8% higher than the England and Wales average but slightly below the equivalent for Dorset as a whole.

Main Findings

- 4.14 The main findings of the 2008 SHMA were:
- figures on the overall need for affordable housing. An annualised need within the District for 399 affordable dwellings was identified;
 - the proportions of different types of tenure of affordable housing that should be sought. The study suggested that in North Dorset 70% should be available for social rent and 30% should be for intermediate housing; and
 - the types of housing (i.e. 1, 2, 3 or 4 bedrooms) required. The 2008 SHMA study suggested a need for approximately 9% of all new housing to be 1 bed dwellings, 22% to be 2 bed dwellings, 46% to be 3 bed dwellings and 23% to be larger at 4 or more bed dwellings.
- 4.15 The 2008 SHMA was not prepared with a view to establishing the overall level of housing provision for the District, as the intention at the time was to determine this through the regional planning process. The issue of the percentage of affordable

units that should be sought on housing sites was examined in the Council's affordable housing and economic viability study (see below). Both of these issues were re-examined in the 2012 SHMA update, as discussed later in this section.

Affordable Housing and Economic Viability Study

- 4.16 The study into the economic viability of housing sites focused on the split between affordable housing and market housing which could be sought on mixed tenure sites (the percentage) and the size of sites above which affordable housing should be sought (the threshold). The aim was to inform planning policy to enable increased delivery of affordable housing.
- 4.17 Setting levels too high may negatively impact on the overall levels of housing delivery and therefore considerations of the viability of a scheme are important. The existing or permitted alternative use value of a site is an important factor in site viability. The value of the scheme, deducting contributions, including for affordable housing (known as the residual land value) needs to be higher than the current or alternative use value of the land to enable development to happen.
- 4.18 In addition, setting contributions for affordable housing too high may result in other planning obligations (e.g. for play space) being diminished. The testing undertaken as part of this study assumed a flat rate planning obligation of £5,000.
- 4.19 The analysis of development viability was based on "Market Value Areas" where house prices, the end result of development, were relatively similar. For the purpose of this study, the District was split into six Market Value Areas. These were Blandford Town, Gillingham Town, Shaftesbury Town, Blandford Rural Hinterland, Gillingham/Shaftesbury Rural Hinterland and the Rural West centred on Sturminster Newton.
- 4.20 The effects on development viability of increasing percentage requirements for affordable housing were tested within these areas against differing density developments. The results showed that in most areas, residual value, and hence viability, increased with higher density development up to a maximum of 50 dwellings per hectare for almost all levels of affordable housing provision. The exceptions were in Gillingham Town where 50% affordable caused the residual value to decrease above densities of 30 dwellings per hectare and in Blandford Town where residual value decreased at 60% affordable.
- 4.21 However, the alternative use land value would mean that many of these affordable housing percentages would be unviable as the alternative use becomes a more attractive option than developing the land for housing. In the rural areas, higher percentages of affordable housing are viable than in the towns. In the towns, a level of 40% affordable housing appears viable with the exception of Gillingham where residual land values are lower. In Gillingham, percentages lower than 40% would be viable.

- 4.22 The study looked at the contribution that small sites played in delivering housing in North Dorset. It found that a significant proportion of new dwellings were provided on small sites especially in the rural areas. Therefore by setting the threshold for sites on which affordable housing would be sought at a low level, more affordable housing could be delivered. In terms of viability, it was found that small sites were no less viable than large sites although viability may need to be assessed at the site level.
- 4.23 When looking at small sites, the percentage of affordable housing being sought on site may result in a fraction of a dwelling being required to be affordable. In this case, a contribution of equivalent value to that fraction should be taken to provide for off-site affordable housing.
- 4.24 The study raised the issue of sites which have a high current use value. Such sites include those already in residential use and where the demolition of a dwelling would be required. The study suggests that, in many cases, small sites in existing residential use where the net gain is less than 3 dwellings would not be viable.
- 4.25 When setting the proportion of affordable housing that would be sought on a site, the study identified two options. It also identified the need to consider the balance between delivering affordable housing and other planning obligation requirements:
- Option 1: a flat target which is viable in the lowest Market Value Area (for example 30% in Gillingham); and
 - Option 2: a split target with Gillingham being set lower than other areas (for example 30% and 40%).
- 4.26 The options identified when setting the site size threshold above which affordable housing would be sought are:
- Option 1: operate a threshold of 15 dwellings across the District in line with the (former) national indicative minimum (which is no longer included in the NPPF);
 - Option 2: operate a zero (or low e.g. 3 dwellings) threshold across the District to maximise delivery of affordable housing; and
 - Option 3: operate a split threshold of 15 dwellings in the main towns and a lower threshold in the rural areas.

Strategic Housing Market Assessment (2012 Update)

- 4.27 In January 2012 JG Consulting (in association with Chris Broughton Associates) produced an update of the 2008 SHMA. The updated SHMA was written in compliance with Planning Policy Statement 3 - Housing (PPS 3), which still formed part of national planning policy at the time, and the 2007 DCLG practice guidance,

which remains extant. Consultants produced both an update for the Bournemouth / Poole HMA⁴ and a summary report for North Dorset⁵.

- 4.28 The 2011 SHMA update for North Dorset shows that there are approximately 28,800 households in the District, of which 74% are owner occupiers, 13% occupy social rented housing and 13% occupy private rented housing. Well over half of the owner occupied housing is owned outright, with no mortgage
- 4.29 The main findings of the 2011 SHMA update study were that:
- the housing market has changed significantly since the original SHMA report was produced, as a result of the economic downturn;
 - the overall projected need for housing in North Dorset has reduced from 350 to 280 dwellings per annum;
 - the overall need for affordable housing remains high and similar to levels identified in the 2008 SHMA report, with 24% of the need coming from rural parts of the District (i.e. outside the four main towns);
 - there is a need for a variety of sizes of housing, particularly 2 and 3 bedroom market and affordable homes and 1 bedroom affordable properties;
 - having regard to the affordable housing product, the main need remains for affordable rented properties.

Changes to the Housing Market

- 4.30 The 2011 SHMA update showed that there had been a significant downturn in the national and local property market since 2007. Between the third quarter of 2007 and the first quarter of 2011 average (median) house prices in North Dorset had fallen by 12.4%. The number of sales in 2010/11 was about 40%-50% below typical trends from before the economic downturn.

Housing Provision

- 4.31 In relation to North Dorset the 2011 SHMA update states that “trend-based data suggests household growth of around 273 per annum for the period 2011 to 2031 and so a housing delivery figure (on the basis of this figure) might be around 280 per annum (to take account of a small vacancy rate)”.
- 4.32 This is the figure that has been used to establish the District-wide figure for housing provision in Policy 6 – Housing Distribution of the Local Plan Part 1. The plan period runs from 2011 to 2026 and 280 dpa equates to 4,200 homes over this 15 year period. This is a reduction from the 7,000 homes over 20 years (2006 to 2026)

⁴ The SHMA update for the Bournemouth / Poole HMA can be viewed online here - <http://www.dorsetforyou.com/media.jsp?mediaid=170148&filetype=pdf>

⁵ The SHMA update summary report for North Dorset can be viewed online here - <http://www.dorsetforyou.com/media.jsp?mediaid=170143&filetype=pdf>

proposed in the draft Core Strategy, which was based on the annualised rate in the ‘emerging’ RSS of 350 dpa.

Need for Affordable Housing

- 4.33 The outputs from the housing needs and housing market models in the 2011 SHMA update report continue to identify a significant need for affordable housing. The report recognises that the private rented sector will continue to house many people in need and that the Council’s affordable housing policies will be constrained by economic viability considerations.
- 4.34 The 2011 SHMA update identified a slightly lower annualised need for 387 affordable dwellings and clarified that this was the annualised level of provision that would be required over 5 years to meet the identified need.
- 4.35 The 2011 SHMA update also looked at the need for affordable housing by area. The greatest needs are estimated to be in Gillingham and Blandford (i.e. the largest settlements) with around 24% of the annual net need arising in rural areas (i.e. outside the four main towns of Blandford, Gillingham, Shaftesbury and Sturminster Newton).

Housing Mix

- 4.36 The 2011 SHMA update gave figures for the needs by size for both market and affordable housing:
- market housing - 6% of all new market housing should be 1 bed dwellings, 35% should be 2 bed dwellings, 36% should be 3 bed dwellings and 23% should be larger at 4 or more bed dwellings.
 - affordable housing - 28% of all new affordable housing should be 1 bed dwellings, 34% should be 2 bed dwellings, 28% should be 3 bed dwellings and 11% should be larger at 4 or more bed dwellings.

Affordable Housing Tenure Split

- 4.37 The 2011 SHMA update also took account of the new ‘affordable rent’ product and suggested (on the basis of need) that 60% should be available for social rent, 26% affordable rent and 14% should be intermediate housing.

Strategic Housing Land Availability Assessment

- 4.38 The SHLAA aims to identify land across the District that may be suitable for housing development. The aim is to identify sufficient land to meet the housing requirement for the District and to inform the Council’s planning policies as to the location of the available land.
- 4.39 The North Dorset SHLAA was initially undertaken in 2008, with a base year of 2007, to a methodology approved by an independent panel of local environmental groups, developers, community groups and local authority planners. The

methodology followed that outlined by Government, adding detail to reflect local circumstances. The SHLAA was updated in 2011 to a revised base date of 2010.⁶

- 4.40 The results of the initial study published in early 2009 identified sufficient suitable land to deliver more than 13,000 dwellings against the requirement in the ‘emerging’ RSS of 7,000 dwellings. A similar level of land supply (i.e. with the capacity for 13,000+ dwellings) was also identified in the 2011 SHLAA update. The majority of this land was on greenfield sites, however there was sufficient brownfield land identified to deliver 1,500 dwellings.
- 4.41 The breakdown of the location of available land as identified in the 2009 SHLAA report was as follows:

Location	Capacity
Blandford	about 2,500 dwellings
Gillingham	about 4,700 dwellings
Shaftesbury	about 1,300 dwellings
Sturminster Newton	about 500 dwellings
Stalbridge and larger villages	about 4,000 dwellings

Figure 4.2 – Total Capacity of Land Identified in SHLAA

- 4.42 Using the 2010 base year, 1,872 dwellings were considered to be deliverable within five years as they had no policy or ownership constraints related to them. The remainder of the supply was considered to have longer term potential for housing although not all of these sites would be developed within the Plan period (to 2026).
- 4.43 The sites identified in SHLAA have been used to inform other evidence base studies, notably those that have examined the landscape sensitivity and accessibility of potential options for housing development at the four main towns and the Gillingham study.

Housing Affordability

- 4.44 In Dorset as a whole, the affordability of housing is an important issue, which has resulted from relatively high house prices and relatively low wages. Although house prices and incomes have varied over recent years, the issue of affordability remains.
- 4.45 House prices increased significantly from an average of about £107,000 in mid-2000 to a high of over £239,000 in 2008. Prices then showed a sharp drop before recovering in late 2009 and through 2010. There remains considerable uncertainty about how house prices might change in the future.

⁶ Information relating to the North Dorset SHLAA, including mapping of all the SHLAA sites in the District, can be viewed from this page - <http://www.dorsetforyou.com/shlaa/north>

- 4.46 Average income levels did not keep pace with house price increases in the period up to 2008, although Figure 4.3 on page 8 of the 2012 SHMA update summary report for North Dorset estimates that household incomes in the District rose by 6.6% over the previous four years. However, the report also notes that these figures do not take inflation into account. Paragraph 4.6 (on page 9 summary report for North Dorset) indicated that around 19.5% of households could not afford housing at current market prices / rents without some form of subsidy.
- 4.47 When the two factors are taken together it can be seen that North Dorset has one of the highest ‘house price to income’ ratios in the country. Figure 4.3 below examines how the house price to income ratio, in terms of cheaper homes for lower earners, has changed over recent years.

Area	2001	2003	2005	2007	2009	2010	2011
Dorset District							
Christchurch	8.02	10.30	10.37	12.37	9.48	11.61	9.56
East Dorset	8.27	10.15	11.63	12.90	11.18	11.74	11.77
North Dorset	5.90	8.60	9.38	9.75	8.75	9.39	9.45
Purbeck	7.69	7.75	10.01	9.32	8.00	10.91	9.58
West Dorset	6.34	9.77	10.55	11.72	9.86	10.41	9.87
Weymouth and Portland	5.32	8.21	9.16	10.41	7.89	8.72	8.06
Other Areas							
DCC Dorset	6.31	8.99	10.08	10.94	9.30	10.33	9.68
South West	5.18	7.11	8.58	8.94	7.63	8.17	7.84
England	4.08	5.23	6.82	7.25	6.28	6.69	6.53

Figure 4.3 – House Price to Income Ratio for Districts in Dorset⁷

Development on Previously Developed Land

- 4.48 In the past national and regional policy set targets for the proportion of housing that should be delivered on previously developed land. The supporting text to draft Core Policy 5 – Managing Housing Land Supply outlined that the national target at that time (March 2010) was 60% (as set out in Paragraph 41 of PPS 3 – Housing) and the target for the South West as a whole was 50% (as set out in Development Policy H of the RSS Proposed Changes).
- 4.49 The Council undertook research at the local level on past rates of delivery, with a view to establishing a more realistic local target. Draft Core Policy 5 established a

⁷ These figures are taken from DCLG statistics, which can be viewed online here - <https://www.gov.uk/government/statistical-data-sets/affordability-including-local-level>. These figures have been extracted from Table 576: Ratio of lower quartile house price to lower quartile earnings by District.

local target of 35%, which was considered to be challenging. National policy no longer sets targets of this nature and consequently draft Core Policy 5 has not been taken forward into the Local Plan Part 1. However, even though the former ‘brownfield first’ approach no longer applies, national policy still encourages development on brownfield land. The evidence below gives an indication of the potential for housing to be provided on brownfield land within the District, drawing on information on past performance and the SHLAA.

Past Performance

- 4.50 Between 1995 and 2008, the proportion of residential development on brownfield land (as defined at the time) varied from 30% to 84% with an average of about 45%. The lower percentage relates to a period where a large number of dwellings were being built on allocated greenfield sites. Conversely, the higher percentage relates to a period when the amount of development on allocated greenfield sites was much less. Table 4.4 shows that these higher percentages are unusual in North Dorset and in fact, excluding the last two atypical years, the average is only 40%.

Year	Brownfield	Greenfield
1995/96	40.9%	59.1%
1996/97	35.4%	64.6%
1997/98	45.9%	54.1%
1998/99	56.3%	43.7%
1999/00	45.5%	54.5%
2000/01	30.0%	70.0%
2001/02	41.1%	58.9%
2002/03	35.8%	64.2%
2003/04	33.0%	67.0%
2004/05	31.8%	68.2%
2005/06	38.8%	61.3%
2006/07	77.4%	22.6%
2007/08	83.9%	16.1%
Average	45.8%	54.2%

Table 4.4: Percentage of Housing Completions on Brownfield and Greenfield Land

- 4.51 Removing the effect of large allocated sites from the analysis, the percentage of development that takes place on unallocated brownfield land is approximately 33%. This analysis of past performance showed that it would be unlikely that the Council could have met the 50% target suggested in the ‘emerging’ RSS.

SHLAA Evidence

- 4.52 In the 2008 SHLAA, enough land was identified to provide about 1,500 dwellings on brownfield land. Much of this brownfield land was already in the Council’s five year supply. Clearly other brownfield sites might come forward for redevelopment in the future, but it is difficult to predict what contribution such sites might make to future housing supply in the longer term.
- 4.53 Taking into account past completions, the 1,500 dwellings on brownfield land equated to approximately 24% of the 7,000 requirement in ‘emerging’ RSS over the 20 years from 2006 to 2026. Although not directly comparable as the Local Plan Part 1 runs from 2001 to 2026, 1,500 dwellings on brownfield land would equate to about 36% of the 4,200 housing provision figure in Policy 6 – Housing Distribution.
- 4.54 This evidence is no longer required to establish a target for the provision of housing on brownfield land. However, it provides useful background information to show that the Council will need to bring forward significant areas of greenfield land in order to meet the full, assessed need for additional housing development.

Housing Densities

- 4.55 Prior to the NPPF being introduced, national policy (most recently Paragraph 47 of PPS 3 – Housing) set a national indicative minimum density standard of 30 dwellings per hectare (dph). Emerging regional policy (Paragraph 6.1.10 of the RSS Proposed Changes) sought to establish that all development delivering new homes should have a density in the range between 30 and 50 dph.

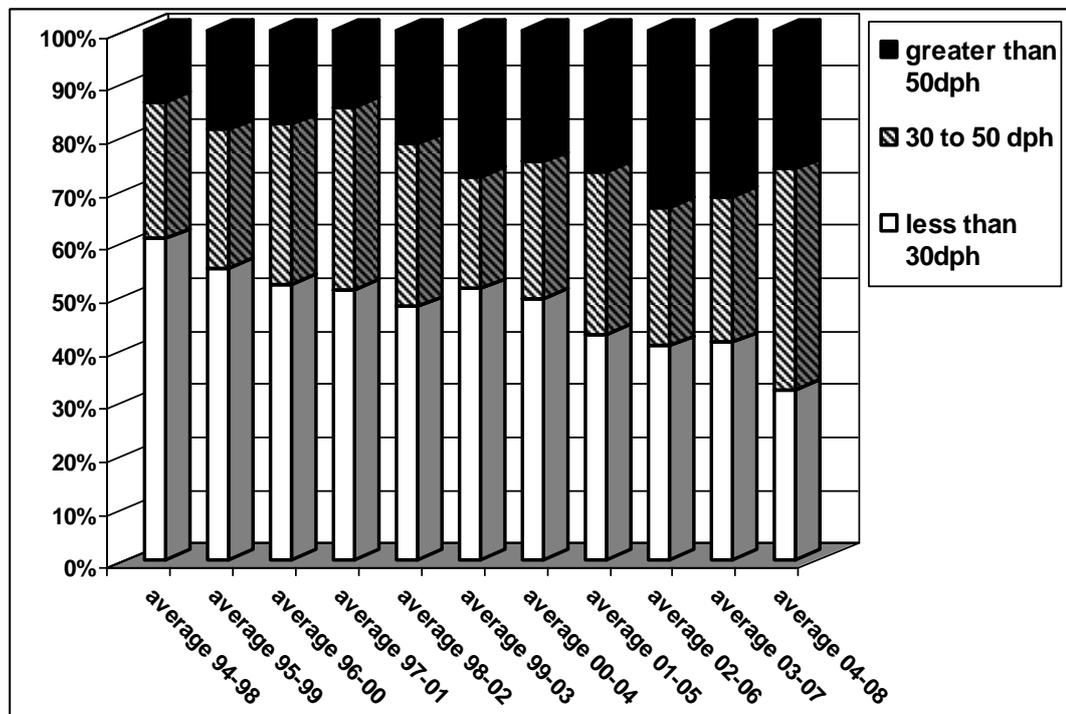


Figure 4.5 - Residential Density (5-year rolling average (1994/95 to 2007/08))

- 4.56 The Council has analysed past completions in the District over many years, which shows that this 'higher level' policy had an influence on the density of housing development that took place in North Dorset between 1994 and 2008. Figure 4.5 above shows that there has been a steady decrease in the proportion of new housing developments built below 30 dph.

5. Issues Arising from the Evidence

Housing Provision

Housing Numbers

- 5.1 The SHMA produced in 2008 did not examine the issue of the overall level of housing provision, because the intention was for that to be determined through the regional planning process. With the abolition of regional planning, the responsibility for establishing a figure for District-wide housing provision fell to local authorities, with evidence of housing need to be established through a SHMA.
- 5.2 The Council and all other local authorities in the Dorset Sub-region commissioned an update of the 2008 SHMA, which was prepared to enable all Councils to respond to the change in 'higher level' policy. Prior to the updated SHMA being produced (in January 2012), the Council produced an interim position statement on housing provision and housing land supply in January 2011, as discussed in Section 3.
- 5.3 In the 2012 SHMA Update, the consultants projected likely household change in the HMA over the period to 2031 using a combination of updated County Council population / household figures (for 2011) and assumptions underpinning the 2008-based DCLG projections.
- 5.4 Figure 6.3 (on page 17 of the summary report for North Dorset) indicates that there will be 39,512 additional households in the HMA as a whole by 2031. This represents growth of 15.5% over 20 years and equates to an average annual increase in households of 1,976. For North Dorset the analysis predicts 19% growth over 20 years, which equates to 5,466 additional households by 2031 at an average of 273 additional households per annum.
- 5.5 Paragraph 5.10 on page 13 of the summary report for North Dorset suggests that a small allowance (2.5%) should be made for vacancy rates in order to give an estimate of housing numbers (rather than household change). This adjustment gives an annualised figure of 280 dwellings per annum (dpa) for North Dorset.
- 5.6 The 2012 Update meets the requirement in the NPPF for a SHMA to be produced to enable the Council to understand housing issues in the area. The 2012 Update is based on more up-to-date population projections than the RSS Proposed Changes and provides a more robust basis for establishing the future need for housing.
- 5.7 The 280 dpa figure provides the basis for the District-wide housing provision figure of 4,200 homes for the period to 2026 in Policy 6 – Housing Distribution of the Local Plan Part 1. Policy 6 also sets out the distribution of housing development in different locations across the District. The selection of sites for housing (and other forms of development) at the four main towns was made on the basis of a more detailed analysis of the options. This issue is discussed more fully in the Market Towns Site Selection Background Paper and in the Sustainability Appraisal Report.

Housing Mix

- 5.8 The original SHMA and the 2012 SHMA Update both looked at the different sizes of housing that would be required across North Dorset to meet identified housing needs. This information has been used to inform the 'housing mix' section of Policy 7 – Delivering Homes in the Local Plan Part 1.
- 5.9 This part of the policy sets out the requirement for the proportions of 'smaller' (i.e. 1 and 2 bedroom) and 'larger' (i.e. 3 and 4 bedroom) properties required District-wide, both in terms of market and affordable housing.
- 5.10 Some flexibility is required in how these District-wide requirements should be applied to individual sites. The policy states that the District-wide proportions will be the starting point for negotiations on sites of 10 or more dwellings, allowing developers to suggest a different mix, if it can be soundly justified by local circumstances. The Council recognises that it would not be appropriate to try and apply the District-wide requirements on smaller sites, where site-based issues and potential impacts on local character are likely to have a strong influence on the sizes of homes that would be appropriate.

Affordable Housing

Assessing the Need for Affordable Housing

- 5.11 The 2007 DCLG Practice Guidance includes a model for calculating the overall net need for additional affordable housing. Figure 5.2 on page 11 of the 2012 SHMA Update summary report for North Dorset shows the results of this analysis.
- 5.12 The model estimates that if all affordable housing needs across the HMA were to be met over the next five years then 8,350 additional units of affordable housing would need to be provided per annum. In North Dorset, it is estimated that 387 affordable units per annum would be required over the same period. For the HMA as a whole, the estimate of need increased significantly from 2007 (5,704 affordable units per annum). However, in North Dorset, the annualised requirement fell slightly from 399 units in 2007. Across the HMA, the growth of the private rented sector in recent years is seen as having a major impact.
- 5.13 The consultants sought to put these findings in context with commentary on the wider operation of the housing market. They noted that the private rented sector makes a significant contribution to meeting households' needs although there are issues with affordability and suitability. Private rents are often subsidised through the local housing allowance system and in some cases tenants are willing to pay more than what is deemed to be an acceptable proportion of their household income (25%) on accommodation. Part of the private rented sector also meets needs by offering poor quality housing at sub-market rents.
- 5.14 The consultants recognised that actual levels of affordable housing delivery will be well below the level of need identified by the DCLG model noting that local councils

(including North Dorset) will need to consider a range of factors, such as viability and the prioritisation of needs (for example to seek to meet the needs of families as a priority over single people) when formulating policy.

Viability of Affordable Housing Provision

Percentages

- 5.15 The housing viability study suggested that 40% affordable housing on residential development sites would be viable except in Gillingham, where there are lower residual land values. In Gillingham the study recognised that it would be more appropriate to seek 30% affordable housing, although it was also recognised that 35% affordable may be achievable on the largely greenfield southern extension to the town, subject to site-based viability testing.
- 5.16 The DCLG guidance on the preparation of SHMAs does not require viability to be assessed through such studies. Consequently neither the original SHMA Report nor the 2012 Update Report examined this issue. However, in 2012 the consultants modelled both 30% and 40% affordable housing provision scenarios to give an indication of the size of properties that would be needed. The results of this modelling also led the consultants to conclude (in Paragraph 5.10 of the summary report for North Dorset) that the provision of 40% of additional housing as affordable would be a sensible level in the context of the role played by the private sector.

Site Size Threshold

- 5.17 The provision of housing on small sites contributes to the overall level of housing provision in North Dorset and clearly the lower the site-size threshold that is established; the more it will contribute towards addressing the need for affordable housing in North Dorset. Draft Core Policy 9 – Affordable Housing in the draft Core Strategy sought to establish a ‘zero threshold’ (i.e. every development that delivers a net additional home should contribute towards the provision of affordable housing) on the basis that this was the option identified in the Council’s viability study that was likely to deliver the most additional affordable homes.
- 5.18 In the light of the changes to the planning system, the Council introduced an interim position statement on affordable housing in January 2011, which has been used as the basis for negotiations on sites since that time. The interim position statement contained a ‘preliminary review’ of draft Core Policy 9 in the light of the changes and this review concluded that, on an interim basis, a threshold of 3 net additional dwellings should be used.
- 5.19 The option of a threshold of 3 was discussed in the viability report and was taken forward in the interim position statement in the light of the following factors:
- current (January 2011) uncertainty as to the implications and consequences of the changes introduced and proposed by the Coalition Government;

- recognition that particularly in relation to smaller development proposals on-site costs such as demolition of existing buildings are likely to have a proportionately greater impact on issues of viability; and
- the desirability of avoiding a situation where viability assessments become a requirement for every housing development proposal.

5.20 There is now greater certainty about national policy in relation to housing and one of the new issues identified is that of people wishing to build their own home. The Council recognises that sites for one or two net additional dwellings will often be developed by people wishing to build their own home (or small local builders), which also supports the case for a threshold of 3.

Taking Forward Policy

5.21 The issues arising from the evidence set out above have informed the development of Policy 8 – Affordable Housing in the Local Plan Part 1, including:

- the overall approach of seeking to provide as much affordable housing as can be realistically delivered within strategic viability constraints;
- a site-size threshold of 3 net additional dwellings, above which affordable housing will be sought; and
- the percentages of affordable housing that will be sought in different areas.

Rural Exception Schemes

Location of Rural Exception Sites

5.22 The ‘emerging’ RSS supported rural exceptions policies, but also sought to control the distribution of development. It stated “where viable LPAs should consider allocating and releasing sites solely for affordable housing including using a rural exception site policy. It is important that all development taking place in small towns and villages support their roles as local hubs for community facilities and services including public transport. Development in the countryside, particularly of housing, will be strictly controlled in accordance with national policy.”

5.23 Emerging regional policy, and views expressed by local people in earlier consultations, highlighted concerns about permitting rural exception schemes, which are typically inhabited by people on low incomes, in areas poorly served by everyday facilities. It was felt that allowing such development could increase the living costs of the occupants and offsets some of the benefits of providing affordable housing. However, concerns were also expressed that the alternative of not providing such schemes could mean that local housing need went unmet.

5.24 The text to draft Core Policy 10 suggested ‘guidelines’ for the location of such schemes indicating that they should usually be located in settlements with more than 1 essential everyday facility and with at least 100 inhabitants up to the ceiling of 3,000 inhabitants. Figure 5.1 below shows the settlements where rural exception schemes may be acceptable on the basis of these guidelines.

Bourton	Manston	Stalbridge
Buckhorn Weston	Mappowder	Stour Row
Charlton Marshall	Marnhull	Stourpaine
Child Okeford	Melcombe Bingham and Ansty	Sutton Waldron
Durweston	Milborne St. Andrew	Tarrant Keyneston
East Stour	Milton Abbas	Tarrant Monkton & Launceston
Fontmell Magna	Milton-on-Stour	West Stour
Hazelbury Bryan	Motcombe	Winterborne Kingston
Hinton St Mary	Okeford Fitzpaine	Winterborne Stickland
Ibberton	Pimperne	Winterborne Whitechurch
Iwerne Courtney (Shroton)	Pulham	Winterborne Zelston
Iwerne Minster	Shillingstone	
Kings Stag	Spetisbury	

Figure 5.1 – Villages where Rural Exception Schemes may be Acceptable

- 5.25 Although the draft regional ‘core spatial strategy’ no longer applies, the Council still felt that it would be useful to establish in policy ‘guidelines’ where rural exception schemes may be appropriate, especially since national policy indicates that local authorities may wish to consider the option of an element of market housing on such sites. These ‘guidelines’ from the supporting text to draft Core Policy 10 are carried forward into the supporting text to Policy 9 of the Local Plan Part 1.

Allowing an Element of Market Housing

- 5.26 The ‘emerging’ RSS is no longer being taken forward. However, the NPPF still supports the inclusion of rural exceptions policies in plans. It also allows local authorities to consider whether an element of market housing should be permitted on such sites. This issue was discussed in Section 8 of the Council’s autumn 2012 ‘key issues’ consultation document and an element of market housing is now allowed (subject to certain criteria), under Policy 9 – Rural Exception Affordable Housing of the Local Plan Part 1.
- 5.27 The Local Plan Part 1 now sets out a spatial approach of concentrating the vast majority of growth, including housing development, at the District’s four main towns. The emphasis in rural areas is on meeting local needs, primarily through neighbourhood planning. However, the Council considered that the policy on rural exception schemes in the draft Core Strategy (draft Core Policy 10) could be made

more flexible to enable ‘small numbers’ of market homes to be permitted, to support the provision of rural exception affordable homes.

- 5.28 This overall approach would enable communities in villages to meet a strictly local need for affordable housing without the need for a neighbourhood plan, whilst also enabling a small amount of market housing to accompany it, to make it more viable and contribute to meeting other local housing needs.

Development on Brownfield Land, Infilling and Density

Brownfield Land

- 5.29 Although there is no longer a ‘brownfield first’ approach in national policy, Paragraph 17 of the NPPF still indicates that planning should encourage the effective use of land by reusing land that has been previously developed (brownfield land).
- 5.30 The Council has examined past performance and collated data from the SHLAA to show that (in 2008) there was potential to accommodate about 1,500 homes on brownfield land. The evidence shows that the Council will need to bring forward significant areas of greenfield land in order to meet the full assessed need for additional housing development. However, policies in the Local Plan are also aimed at ensuring that those suitable areas of brownfield land that do exist are brought forward for housing and other uses.
- 5.31 Policy 2 – Core Spatial Strategy seeks to concentrate the vast majority of development at the District’s four main towns, where most brownfield land is located. Part of the Council’s spatial approach to economic development in Policy 11 – The Economy is to identify and bring forward mixed-use regeneration sites on the edge of existing town centres. The policy lists the four main sites, which are: the Brewery site, Blandford St Mary; the Station Road area in Gillingham; the Station Road area in Sturminster Newton; and land between the Town Centre and Christy’s Lane, Shaftesbury.

Infilling

- 5.32 Draft Core Policies 15 to 19 in the draft Core Strategy indicated that infilling and redevelopment would be permitted within the settlement boundaries of Blandford, Gillingham, Shaftesbury, Sturminster Newton, Stalbridge and the District’s larger villages. This approach reflected the ‘brownfield first’ approach in national policy at the time.
- 5.33 The aim of this policy was to make more efficient use of land within settlements. However, the priority given to the use of previously developed land coupled with the national indicative minimum density standard reduced the weight that could be given to more local concerns, particularly, concerns about the impact of such development on the character and appearance of an area.

- 5.34 National policy (in PPS 3) used to regard residential gardens as ‘brownfield’ sites, however, Annex 2: Glossary of the NPPF now expressly excludes them from the definition of previously developed land. The change in the national definition of previously developed land means that residential gardens are now considered to be ‘greenfield’ sites. Consequently, they are not subject to the national policy to encourage development on ‘brownfield’ land. In recognition of this change of status, the NPPF states that councils can consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.
- 5.35 The removal of the ‘brownfield first’ approach from national policy and the change in status of residential garden land offers more scope for local councils and communities to develop policies encouraging more sensitive infilling, focused on more local and site-based concerns. These relatively recent changes to national policy have changed the nature of the debate in relation to infilling and this issue was the subject of consultation with local communities in autumn 2013, as discussed in Section 6.

Density

- 5.36 Since the draft Core Strategy was published in March 2010, the national indicative minimum density standard of 30 dph has been dropped and the draft regional target will not be adopted, as the ‘emerging’ RSS is no longer being taken forward.
- 5.37 Evidence on past performance has shown that the proportion of new housing built at less than 30 dph has decreased over the period from 1994 to 2008. However, local people have also expressed concern about the impact of higher density schemes on the character and appearance of the District’s towns and villages.
- 5.38 Changing national and regional policy in relation to the residential density has given the Council the opportunity to reconsider its approach to this issue, which also has implications for policies on infilling. This issue was also the subject of consultation with local communities in autumn 2013 and is also discussed in more detail in Section 6.

6. Issues Arising from Stakeholder and Community Consultations

Stages of Consultation

6.1 A brief summary of the stages of consultation is set out below followed by a discussion of the issues raised in relation to a number of different topics. A comprehensive overview of the stages of consultation is given in the Council's Statement of Consultation. Detailed reports on the responses to the different stages of consultation have also been prepared.

Consultation 2007 – 'Issues and Options'

6.2 In June and July 2007 consultation was undertaken on issues and alternative options for the Core Strategy. The consultation was undertaken in the context of national and regional policy at the time.

6.3 Views were sought on the main issues of affordable housing, housing density and the approach to greenfield and brownfield land. Views were also sought on the provision of suitable accommodation for Gypsies and Travellers.

6.4 Responses highlighted the issues and concerns of the local community, such as the need to understand the housing market in North Dorset and the need to apply this knowledge to inform policy. Concern was expressed over the high levels of growth that had taken place in the District in the past and over the future of the District if these high growth levels were to continue.

Consultation 2010 – Draft Core Strategy

6.5 Consultation took place between March and May 2010 on a draft Core Strategy. The draft Core Strategy included the following main housing-related policies:

- Draft Core Policy 4 – Housing (including Affordable Housing) Distribution;
- Draft Core Policy 5 – Managing Housing Land Supply;
- Draft Core Policy 8 – Housing Mix, Type and Density;
- Draft Core Policy 9 – Affordable Housing; and
- Draft Core Policy 10 - Affordable Housing: Rural Exception Schemes.

6.6 Section 2.6 included some text in relation to Gypsies, Travellers and Travelling Showpeople. It did not include a core policy on this matter, but draft Development Management Policy 6 set out the criteria the Council would use to assess the acceptability of proposals for sites for Gypsies, Travellers and Travelling Showpeople.

Consultation 2012 – Key Issues

6.7 As a result of the major reforms of the planning system, including the publication of the NPPF and the abolition of regional planning, the Council consulted on how the draft Core Strategy should be revised to reflect these changes in circumstances. Views were sought on:

- the provision of housing, in the light of a re-assessment of future housing need;
- housing density, infilling and the approach to housing development on residential gardens;
- affordable housing issues, such as the new Affordable Rent product, viability and off-site contributions; and
- rural exception schemes, in particular the issue of including an element of market housing on such sites.

Consultation – Gypsies and Travellers Joint DPD

6.8 All Councils in Dorset are now working together to produce a Joint Site Allocations DPD for the provision of sites for Gypsies, Travellers and Travelling Showpeople. Consultation was undertaken on:

- assessments of accommodation needs, both in 2007 and 2013; and
- an ‘issues and preferred options’ document between November 2011 and February 2012. This document (and the report on the consultation) were produced by consultants and can be viewed online.⁸

Housing Provision

6.9 Consultation in 2007 on issues and options was undertaken on the basis that the overall level of housing provision would be set through the regional planning process. The focus of the consultation (and the responses) was, therefore, on how this growth should be accommodated.

6.10 Consultation in 2010 on the draft Core Strategy was on the basis of the housing provision figure in the RSS Proposed Changes, which envisaged 7,000 new homes being provided in North Dorset between 2006 and 2026. Since it was not possible to challenge the proposed housing provision figure in the draft Core Strategy, responses again focused on how housing growth should be distributed.

6.11 One of the main concerns was that the level of development proposed in the villages (in accordance with the draft regional Core Spatial Strategy) was too high and would be difficult to accommodate without harming their character.

6.12 In January 2011 the Council indicated that it would review its position with regard to housing provision and housing land supply in the light of the Government’s

⁸ Documents relating to the consultation on the Dorset-wide Gypsy, Traveller and Travelling Showpeople Site Allocations Joint DPD can be viewed here - <http://www.dorsetforyou.com/397373>

intention to abolish regional strategies. The Council's interim position statement on this issue indicated that it would use the average annual rates of provision in the Initial Draft of the 'emerging' RSS (produced in June 2006) as the starting point for the review. These figures (often referred to as the 'Option 1' figures) proposed 255 net additional dwellings per annum (dpa) between 2006 and 2026, which equates to 5,100 homes over 20 years.

- 6.13 Housing numbers were reviewed on the basis of the results of the updated SHMA Report, which was produced in January 2012. This suggested an average annualised figure of 280 dpa which equates to 4,200 net additional homes over the 15 years from 2011 to 2026. 59% of respondents to the consultation supported the proposed revised District-wide housing provision figure of 4,200 dwellings over 15 years. 34% did not support the figure and 7% made comments without expressing support or objection. A variety of views were expressed both for and against the proposed revised figure, which are discussed in detail in the report on the 'key issues' consultation.

Affordable Housing

- 6.14 The provision of affordable housing was recognised as an important issue in the responses to all stages of consultation undertaken by the Council.
- 6.15 The majority of respondents to the 2007 issues and options consultation felt that a high proportion of affordable housing should be negotiated, reflecting the high level of need in the District. Seeking affordable housing on small sites (down to one dwelling) was also supported, although there were concerns about locating affordable housing in settlements with few facilities. The provision of affordable housing on-site was favoured as there were concerns that off-site provision would be more difficult due to problems identifying and acquiring other suitable land.
- 6.16 In 2010, respondents to draft Core Policy 9 – Affordable Housing largely supported the provision of 35% to 40% (or higher) affordable housing, although others were concerned that demands for high levels of affordable housing provision could undermine housing delivery. Respondents sought a more flexible approach to viability with consideration being given to the economics of site development, in order to ensure that sites remain viable and still provide for other community needs such as open space.
- 6.17 In 2010 respondents expressed concerns about the implications of setting a low threshold (above which affordable housing is sought), especially for small sites. The proposed 70% rented / 30% intermediate housing split was generally supported as the starting point for discussions about provision on site. However, the need for flexibility was also noted.
- 6.18 In 2012, there was a wide variety of views on both the overall level of affordable housing that should be sought and the tenure split that should form the starting point for negotiation on the affordable element. Of those that quoted a percentage

split, the largest number supported a 70% social and / or affordable rent / 30% intermediate housing split. However, a number of respondents (many of which were agents) felt that a starting point figure for tenure split should not be set.

- 6.19 There was also strong support for the proposed changes put forward as a result of the preliminary review of draft Core Policy 9 in the Council's January 2011 interim position statement on affordable housing. There was strong support for:
- offering developers the opportunity to involve a valuer to negotiate on the issue of viability; and
 - seeking off-site contributions towards the cost of affordable housing based on realistic assessments of cost.

Rural Exceptions

- 6.20 Responses to consultation have generally supported the idea of a rural exceptions policy, acknowledging the lack of affordable rural housing in North Dorset. It was felt that if such sites were not allowed people on low incomes who may have ties to rural areas could be excluded from living in the countryside.
- 6.21 In 2007 there was concern that exceptions sites should be related to the local need for affordable housing and not to village size. There was also concern about permitting rural exception schemes in small villages due to the pressures this may place on limited local infrastructure (including roads) and facilities.
- 6.22 In response to draft Core Policy 10 in 2010, there were concerns about whether it was appropriate to provide rural exception schemes in remote rural locations, as the residents would have few opportunities for work, limited access to facilities and would be likely to incur proportionately higher travel costs to meet these needs.
- 6.23 The NPPF continues to support the concept of rural exception schemes, but allows local authorities to consider whether an element of market housing should be permitted on such sites. This matter was discussed as part of the 'key issues' consultation in autumn 2012.
- 6.24 The autumn 2012 consultation drew clear support for allowing an element of market housing on affordable housing rural exception schemes. However, viability of delivery and sustainability of location were the issues of most concern.
- 6.25 Respondents suggested a variety of different ways in which the market element could be controlled. It was suggested that it should be 'no more than the minimum' necessary to deliver the affordable element. It was also felt that the criteria should include reference to local character, and that the Council should consider how they would deal with contributions in place of direct provision.
- 6.26 The responses to the autumn 2012 'key issues' consultation have been used to inform Policy 9 – Rural Exceptions Affordable Housing.

Development on Brownfield Land

- 6.27 In 2007 there was clear support for a strategy that put a high priority on the redevelopment of brownfield land to regenerate settlements and that the proportion should be higher than that achieved in the past. Conversely, there was a lack of support for expansion onto greenfield land. There was strong support for trying to deliver 50% of development on brownfield land, in line with the draft regional target. The need for development to be supported by the necessary infrastructure was highlighted and concern was raised over the degradation of the quality of life in towns through poorly designed, high density brownfield development.
- 6.28 In 2010, draft Core Policy 5 suggested a target of 35% of housing development on brownfield land, which was considered to be the most that could be delivered given the likely opportunities in the District. Responses to this suggested target were mixed. Some felt that there was no case to deviate from the regional target of 50%, whereas others questioned whether even 35% was deliverable. The figure of 35% was put forward on the basis of the evidence on past performance and the availability of sites identified through SHLAA, as discussed in Section 4.
- 6.29 Since the 'emerging' RSS is no longer being taken forward, the draft regional target will not be adopted. Also the NPPF does not require Councils to set a target for development on previously developed land, although brownfield development is still encouraged. Development on brownfield sites is encouraged, both by the Council's core spatial strategy (in Policy 2) and the identification of sites for mixed-use regeneration (in Policy 11).

Infilling and Density

- 6.30 Consultation on issues and options in 2007 centred on the issue of whether the 30 dph standard in national policy should continue to be applied in North Dorset. In response, concerns were raised over high density developments and the loss of character within settlements. Suggestions were that densities could be lower where the character of an area would be adversely harmed by high density development including on brownfield regeneration sites. Responses also suggested that high densities are not appropriate to a rural district such as North Dorset even in urban areas as "town cramming" would result.
- 6.31 The 'emerging' RSS sought the achievement of 40 dwellings per hectare across the whole HMA. It stated that "less than 30 dwellings per hectare is considered to be an inefficient use of land and makes provision of sustainable transport more difficult. Between 30 and 50 dwellings per hectare represents a more sustainable density".

- 6.32 In the light of this emerging target, draft Core Policy 8 (in the 2010 draft Core Strategy) was written to try and ensure that all housing developments were delivered at a density between 30 and 50 dph.
- 6.33 Responses to the consultation in 2010 highlighted the concerns of local communities about the impact these targets could have on the character of towns and villages and the implications for parking and traffic. In particular, they were concerned that it would be difficult to build good quality family housing at very high densities due to the need to provide private amenity space and parking.
- 6.34 Even within the context of these draft regional targets, it was felt there was a case for seeking lower densities in more rural parts of the Bournemouth / Poole HMA, as higher density schemes would be built in the urban centres of Bournemouth and Poole.
- 6.35 In autumn 2012, views were sought on whether the Council should abandon a set 'density standard' with a view to developing a more flexible policy. This approach was supported, as it was felt that it would allow new development to reflect local character. However, some respondents felt that a maximum density standard should be retained to prevent inappropriate development. Respondents also supported making efficient use of land to minimise the level of development required on greenfield land.
- 6.36 Views were also sought on whether the Council should develop a criteria-based approach to encourage more sensitive infilling (including on residential gardens). This was supported, although it was also suggested that local communities should have an input into establishing any District-wide criteria. Respondents also felt that the Council should support communities in developing locally-derived criteria to encourage more sensitive infilling through neighbourhood plans, town and village design statements and informal design and development briefs.
- 6.37 These responses to consultation were used to inform the 'residential density' and the 'infilling and residential gardens' sections of Policy 7 – Delivering Homes in the Local Plan Part 1.

Gypsies and Travellers

- 6.38 The need to provide sites for Gypsies and Travellers was included as an issue in the 2007 consultation to seek views on how best to provide such sites. The responses gave support to providing sites in both rural and urban areas, in locations accessible to facilities. Responses were also received suggesting that a number of small sites were preferable to a few larger sites. It was highlighted that Gypsies and Travellers have different needs which should be catered for separately.
- 6.39 At the time the draft Core Strategy was produced (March 2010), the Councils in Dorset have decided to produce a Dorset-wide Gypsies, Travellers and Travelling Showpeople Joint Site Allocations DPD, but work had not progressed very far.

Consequently some text relating to the Joint Site Allocations DPD was included in the draft Core Strategy, but there was no strategic policy on this issue.

- 6.40 Consultation on issues and preferred options for the Joint DPD took place between November 2011 and February 2012. In the light of this progress, the Local Plan Part 1 now includes a strategic policy on Gypsies, Travellers and Travelling Showpeople (Policy 10), indicating that provision will be made to meet the identified need for sites in the Joint Site Allocations DPD.
- 6.41 The draft Core Strategy included a criteria-based policy (draft Development Management Policy 6) relating to the provision of sites for Gypsies, Travellers and Travelling Showpeople. An updated policy of this nature has been included in the Local Plan Part 1 (Policy 26).

7. Moving Forward

- 7.1 Future housing needs have been reassessed in studies which have been updated to take account of changes to the planning system and the downturn in the economy. These studies show a reduced overall need for housing, but a continuing need for affordable housing.
- 7.2 High house prices and low wages act as a barrier to households meeting their basic need for housing, which has knock on effects for the economy and the quality of life of residents. The provision of high levels of affordable housing alongside market housing reflects community aspirations in the Dorset Sustainable Community Strategy and remains an important priority for the Local Plan Part 1.
- 7.3 ‘Higher level’ policy still seeks a sustainable distribution of development, but the NPPF provides a much less prescriptive framework within which local policy can be developed. Residential developments still need to be focused on existing urban areas and make good use of the land they occupy. However, policies at the District level are no longer required to adhere to a regional ‘spatial hierarchy’, a national indicative density standard or a regional density target.
- 7.4 The rural nature of the District means that brownfield land is not abundant. It remains important to encourage development on brownfield land where regeneration opportunities arise in suitable locations. However, such developments are no longer driven by a national ‘brownfield first’ approach or a regional brownfield target for housing development.
- 7.5 The key points from these broad issues, which have informed the policies set out in Section 8, are summarised below.

Housing Provision

- In terms of ‘functional’ housing markets, the north of the District looks towards Yeovil and Salisbury, whereas the south primarily looks towards Bournemouth and Poole;
- for planning purposes North Dorset falls entirely within the Bournemouth and Poole Housing Market Area (HMA);
- provision needs to be made for about 4,200 dwellings within the District over the period 2011 to 2026 at an average rate of 280 dwellings per annum; and
- sufficient available land within the District has been identified through SHLAA and suitable locations to meet future housing needs have been identified through a more detailed examination of potentially suitable sites.

Affordable Housing

- The provision of affordable housing remains a priority both to meet identified needs and to provide a balanced workforce to support the local economy;

- 387 affordable dwellings would need to be delivered each year for the next 5 years to meet the level of need identified in the updated SHMA;
- the updated SHMA suggests (on the basis of need) that 60% of the affordable housing provided should be available for social rent, 26% should be for affordable rent and 14% should be for intermediate housing;
- based on viability, 40% of all housing is an appropriate percentage to seek as affordable housing in all areas except Gillingham where a lower percentage may need to be set (30 / 35%);
- the affordable housing threshold should be set at a low level, having regard to the need to maximise affordable housing provision and other factors, such as the wishes of some people to build their own homes; and
- clarity and flexibility are required in relation to issues such as viability and off-site contributions.

Rural Exception Schemes

- Policies should ensure that the occupants of rural exception schemes are not disadvantaged by their remote location; and
- allowing an element of market housing could help to support the provision of rural exceptions schemes, provided that this element is properly controlled.

Housing Mix, Brownfield Land, Infilling and Density

- Approximately 6% of new market housing provided should be 1 bed dwellings, 35% 2 bed, 36% 3 bed and 23% 4 or more bed dwellings;
- approximately 28% of new affordable housing provided should be 1 bed dwellings, 34% 2 bed, 28% 3 bed and 11% 4 or more bed dwellings;
- development on brownfield land should be encouraged, but local policy no longer needs to reflect a 'brownfield first' approach or a regional brownfield target for housing development;
- there is no longer a need for local policy to set a District-wide density target and it is now possible to develop a District-wide approach to housing density that reflects local circumstances; and
- there may be opportunities for local communities to develop local approaches to infilling and density both through neighbourhood planning and through existing approaches, such as town and village design statements.

Gypsies, Travellers and Travelling Showpeople

- the accommodation needs of Gypsies, Travellers and Travelling Showpeople have been assessed and are in the process of being re-assessed;
- these accommodation needs will be met primarily through the Dorset-wide Gypsy, Traveller and Travelling Showpeople Joint DPD.

8. North Dorset Local Plan Part 1 Policies

Introduction

8.1 Chapter 5 of the Local Plan Part 1 deals with meeting housing needs and contains five policies that seek to achieve Objective 5, which is to deliver more housing, including more affordable housing that better meets the diverse needs of the District. These policies reflect recent changes to national and regional policy frameworks. In particular, the removal of the regional tier of policy has enabled the Council to develop its own approach to meeting housing needs, within the context of the NPPF, using locally derived evidence. The content of the five policies in Chapter 5 is briefly summarised below.

Policy 6 – Housing Distribution

8.2 Policy 6 establishes a housing provision figure for North Dorset and housing provision figures for the District’s four main towns. A minimum level of provision required in the countryside to ensure that the District-wide strategic need for future housing development is met, has also been identified. These figures are set out in Figure 8.1 below.

Figure 8.1 – Proposed Spatial Distribution of Housing Development

Location	Homes Proposed 2011 to 2026	% of Total
Blandford	About 960	23%
Gillingham	About 1,490	35%
Shaftesbury	About 1,140	27%
Sturminster Newton	About 380	9%
Countryside (including Stalbridge and the Villages)	At least 230	Minimum of 6%
Total	About 4,200	100%

8.3 This distribution of housing reflects the Core Spatial Strategy (in Policy 2), which identifies the District’s four main towns as the main focus for growth and the most sustainable locations for housing development.

8.4 Policy 6 also sets out the approximate scale of affordable housing that will be sought at the four main towns, reflecting the viability of provision in different parts of the District. During the period 2011 to 2026, the amounts sought will be:

- Blandford (Forum and St Mary) – about 380 affordable homes;
- Gillingham – about 500 affordable homes;

- Shaftesbury – about 450 affordable homes; and
- Sturminster Newton – about 150 affordable homes.

Policy 7 – Delivering Homes

- 8.5 For the District as a whole, a mix of housing (in terms of bedroom size) that reflects the identified needs for different sizes, both in relation to market and affordable homes, will be sought. A similar mix will also be sought on larger housing sites.
- 8.6 Residential densities that make effective use of development sites, but which also have regard to impacts on local character and design and amenity issues will be sought. Within this context higher densities are encouraged in more sustainable locations, such as town centres.
- 8.7 Sensitive infilling, including on residential gardens, is encouraged in the four main towns and within any other settlement where a local community establishes a settlement boundary. The Council also encourages local communities to develop more detailed policies relating to infilling through the neighbourhood planning process.

Policy 8 – Affordable Housing

- 8.8 The Council aims to provide as much affordable housing as can be realistically delivered within strategic viability constraints, whilst also having regard to other matters, such as the wish of some people to build their own homes. This policy sets out how this will be achieved by:
- establishing a threshold (of three net additional dwellings) above which affordable housing will be sought;
 - setting out that the Council will seek 40% of homes to be provided on development sites as affordable, except within the existing built-up area of Gillingham where 30% will be sought and within the southern extension to Gillingham where 35% will be sought, subject to viability testing;
 - outlining the Council's approach to site-based viability considerations and associated issues, such as resolving viability disputes, the provision of affordable housing off-site and off-site financial contributions;
 - providing guidance on the form of affordable housing tenure (or tenures including the affordable rent product) that should be provided on sites; and
 - outlining the key considerations (such as the 'pepper-potting' of affordable units amongst market homes) that will apply to the delivery of affordable housing on sites.

Policy 9 – Rural Exception Affordable Housing

- 8.9 The Council will permit small sites for rural exception affordable housing within or on the edge of the existing built-up areas of Stalbridge or the District's villages, but only to meet strictly local needs. Rural exception schemes will not be permitted

within, or in the countryside adjacent to, the four main towns of Blandford (Forum and St Mary), Gillingham, Shaftesbury and Sturminster Newton.

- 8.10 Small numbers of market homes may be allowed as an integrated part of a rural exception scheme:
- but only as a last resort to contribute towards closing a funding gap for the provision of the rural exception affordable homes proposed on the site; and
 - provided that any market element is similar (or smaller) in size and type to the rural exception affordable homes being proposed.

Policies 10 and 26 - Gypsies, Travellers and Travelling Showpeople

- 8.11 Policy 10 indicates that provision will be made to meet the identified accommodation needs of Gypsies, Travellers and Travelling Showpeople within the District through the identification of sites within a joint Site Allocations DPD being produced will all other councils in the Dorset Sub-region.
- 8.12 Policy 26 sets out the criteria that the Council will use to assess the acceptability of proposals for sites for Gypsies, Travellers and Travelling Showpeople. It indicates that the Council will have regard to:
- the need for the type of site being proposed;
 - the location of the site and proximity to local services, such as shops and employment sites;
 - the likely scale and nature of vehicular movements;
 - the size and design of the site;
 - proposals for the future management of the site; and
 - the implications of keeping animals on site, where this forms part of the proposals.