



Purbeck Core Strategy Development Plan Document

Examination into the soundness of the plan

Statement on behalf of Purbeck District Council

Hearing date: Wednesday 9 May 2012 – 10am

Matter 4: Housing and Housing Supply (Policy HS)

Issues

- 4.1 Are the housing policies consistent with national guidance and supported by clear and robust evidence?
- 4.2 Is the information in the Strategic Housing Land Availability Assessment (2011) soundly based? Have current economic conditions been taken into account?
- 4.3 Is the overall housing provision based on a sound assessment of supply and demand? In particular:
 - (a) are the expectations for delivery of existing commitments reasonable? Significant reliance is placed on commitments/character area potential (in policy HS) particularly for the years 2022-2026. What is the justification for this?
 - (b) is the proposed trajectory realistic and can it be delivered?
 - (c) what assessment of previously developed land has been undertaken?
 - (d) is the contribution that windfall sites could make to housing provision appropriate and robust? and
 - (e) is there sufficient flexibility to deal with changing circumstances affecting phasing and delivery – in particular with regard to the economy and financial constraints, land ownership and issues of ecological importance?
- 4.4 Should the Core Strategy establish the Council's overall approach to housing densities, as suggested in paragraph 47 of the NPPF?

Introduction

1. This statement considers all the issues within Matter 4: Housing and Housing Supply (Policy HS).

Statements of common ground

2. No statements of common ground have been submitted in relation to this Matter.

Why the Council considers the core strategy sound

3. Each issue raised by the Inspector is considered in turn below:

4.1 Are the housing policies consistent with national guidance and supported by clear and robust evidence?

4. The policies were written to be consistent with PPS3, which has now been deleted. However, this statement will show that the policies are consistent with the NPPF, which has superseded the PPS.
5. Paragraph 47 of the National Planning Policy Framework requires that objectively assessed needs for market and affordable housing are met.
6. The 2009 Office of National Statistics (ONS) sub-national population projections show a demand for 4,000 dwellings in the District by 2026, although this figure has not been tested against The Habitat Regulations.
7. The Strategic Housing Market Assessment (SHMA)¹ (2008 and 2012 update) shows a housing target of 170 dwellings per year, of which 40% should be affordable. This equates to around 3,400 dwellings between 2006-2026. The SHMA also acknowledges that this figure has not been tested against The Habitats Regulations.
8. The draft RSS required a housing target during the plan period 2006-2026 of 2,100 dwellings across the District and this number was agreed by the Council. The Secretary of State's Proposed Changes to the RSS increased this target to 5,150 dwellings, which comprised 2,400 dwellings across the District plus a 'Western Extension' of 2,750 dwellings near Lytchett Minster. The Council, Dorset County Council and Natural England jointly commissioned Footprint Ecology to produce a study² to ascertain if the Western Extension would comply with the requirements of The Habitats Regulations. The study concluded that 'it would be extremely difficult, if not impossible, to provide the reasonable certainty required that the proposal could be implemented without adverse effects on internationally designated sites' (Natural England, 2008). With this in mind, the Council decided to omit the Western Extension from the Core Strategy and instead plan for 2,400 dwellings.
9. Mindful of the need for more than 2,400 dwellings in the District and following advice from the Government Office for the South West (GOSW), the Council commissioned Footprint Ecology to investigate higher housing numbers, specifically an extra 960

¹ CD120 and 120a: Dorset Survey of Housing Need and Demand for Purbeck District Council (2008); Strategic Housing Market Assessment Update for Purbeck District Council (2012)

² CD143a: Appendix 1a- Nature Conservation Representations to the Secretary of State with regard to the Regional Spatial Strategy Proposed Changes on behalf of Purbeck District Council (2008)

dwellings of infill, 1,000 dwellings on the edge of Wool, 500 on the edge of Wareham and 500 on the edge of Lytchett Minster. The report³ concluded that growth at Wareham and Lytchett Minster would have limited opportunities for successful mitigation, and cautiously suggests that growth at Wool could be mitigated with a large scale SANGs, but this would require further investigation.

10. The study was completed by the Pre-Submission consultation stage of the Core Strategy, but this was too late in the process to undertake the further investigation at Wool that would be required. The expiry of the Local Plan and the threat of not being able to demonstrate a five year land supply meant that the Core Strategy needed to be adopted at the earliest opportunity. To delay the Core Strategy and undertake further studies and consultation on the potential for growth at Wool would take a few years and during that time the Council would have been in a position of 'planning by appeal'. This could have led to unplanned growth around the District.
11. Therefore, the Council chose to plan for 2,400 dwellings (on average 120 per year) between 2006-2026. However, as the Core Strategy must have a lifespan of at least 15 years and given the likely adoption of the plan in 2012, it plans for an extra 120 dwellings to cover to 2027. Clearly this housing target is significantly lower than current needs (there are currently 2,029 households on the affordable housing waiting list (November 2011)), but there is uncertainty that higher housing levels can be mitigated effectively. This is highlighted in a letter from Natural England⁴. Therefore, the Council considers 2,520 dwellings to be an objectively assessed number in line with national guidance. Should monitoring indicate that the target may be exceeded without appropriate mitigation in place, the Council may have reason to not allow any further housing development.
12. Further information on the breakdown of the housing supply is given in 4.2 and 4.3 below.

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| 4.2 Is the information in the Strategic Housing Land Availability Assessment (2011) soundly based? Have current economic conditions been taken into account? |
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13. Paragraph 47 of the NPPF requires a continuous delivery of dwellings over a 15 year period split into 1-5 years, 6-10, and 11-15 periods. This is informed by the Strategic Housing Land Availability Assessment (SHLAA). The Council produced the SHLAA in line with PPS3 Practice Guidance. The SHLAA has been agreed by the SHLAA Panel, which comprises Local Planning Authorities, Dorset County Council, Natural England, CPRE, The Environment Agency, planning consultants, architects and developers.
14. The SHLAA is split into two separate parts: the five year supply (see section 4.3 below); and submitted sites. The Council publishes its SHLAA report⁵ annually and the Council's database is regularly updated as sites are built or new sites are submitted. This ensures that the information in the SHLAA is soundly based.
15. Trends show that dwellings are still being built in the District, despite the current economic conditions, so it is entirely reasonable to expect the five year supply sites

³ CD112: HRA Implications of Additional Growth Scenarios for European Protected Sites (2010)

⁴ CD143c: Appendix 2 – Natural England letter (2008)

⁵ CD117: Strategic Housing Land Availability Assessment Submitted sites: January 2011

to be built. Indeed, viability testing in 2010 states that viability for housing development is strong in Purbeck⁶. House prices remain high in Purbeck.

4.3 Is the overall housing provision based on a sound assessment of supply and demand? In particular:

(a) are the expectations for delivery of existing commitments reasonable? Significant reliance is placed on commitments/character area potential (in policy HS) particularly for the years 2022-2026. What is the justification for this?

(b) is the proposed trajectory realistic and can it be delivered?

(c) what assessment of previously developed land has been undertaken?

(d) is the contribution that windfall sites could make to housing provision appropriate and robust? and

(e) is there sufficient flexibility to deal with changing circumstances affecting phasing and delivery – in particular with regard to the economy and financial constraints, land ownership and issues of ecological importance?

(a) Commitments

16. Paragraph 47 of the NPPF states that the first five years of housing supply (plus an extra 5%) have to be available, suitable and achievable. The Council's Five Year Supply Assessment⁷ demonstrates that the Council has a six year supply of housing. The supply comprises commitments, allocated sites and Council-owned land that the Council has identified for disposal and development in the next five years. To provide an accurate forecast, all outstanding commitments are listed in the assessment with a likely indication of when they will be completed. This is based on various factors, such as the type of development proposed, the number of units already completed and the expiry date of any non-commenced planning permissions. The NPPF states that sites with planning permission are considered deliverable until the planning permission expires and this adds extra certainty to the sites in the five year supply.

17. Owing to the large number of small sites that comprise the five year supply, it is not practical to contact each landowner to enquire about deliverability. However, as mentioned in 4.1 above, viability testing⁸ states that viability for housing development remains strong, taking into account current economic conditions. This shows that despite drops in house prices and build rates, economic conditions are nonetheless favourable and not a cause for concern in Purbeck. Trends show that whilst the overall number of applications and grants of planning permission are falling, completions continue. In other words, committed sites are still being built out. Completion rates for the larger committed sites in the District are continuing and developers for the Worgret Road and Policeman's Lane settlement extensions have indicated their intention to submit planning applications in 2012 and start building in 2013.

⁶ CD113 & 114: Purbeck DC Affordable Housing Viability Assessment (2008) and update (2010)

⁷ CD110: Five Year Housing Land Supply Assessment (1st April 2011)

⁸ CD113 & 114: Purbeck DC Affordable Housing Viability Assessment (2008) and update (2010)

18. Should economic conditions result in slightly fewer dwellings being built, the fact that the Council has a six year supply of housing provides flexibility to accommodate a drop in completions.
19. Years 6-10 of the housing supply have to be developable (i.e. in a suitable location for housing development and there should be a reasonable prospect sites are available for, and could be viably developed at the point envisaged). Years 6-10 of the housing supply include a mixture of settlement extensions and Character Area Potential⁹. Character Area Potential uses character areas identified through townscape character appraisals¹⁰ and trends from recent planning permissions to identify development opportunities that have a reasonable prospect of coming forward. It is worth noting that for practicality reasons, Character Area Potential, commitments and Council-owned sites are grouped in the table in Policy HS, but the housing trajectory clearly shows that there is no reliance upon Character Area Potential until years 6-10 and beyond. There is no allowance for windfall in years 6-10 of the Core Strategy.
20. Objectors argue that Character Area Potential is generalised windfall and therefore unreliable. However, it is not and it is important to distinguish it from windfall. Whilst the NPPF has superseded PPS3, its Practice Guidance is still relevant. This guidance allows for methods such as Character Area Potential that are informed by estimates of housing potential from likely sources of land for housing. Therefore, the methodology for Character Area Potential is in line with national guidance. It provides genuine local circumstances for sites to come forward, so is much more informed and robust than relying on generalised windfall estimates. The approach for Character Area Potential was advised by GOSW.
21. The Character Area Potential methodology has been agreed by the SHLAA Panel. The total number of units identified in the Character Area Potential study were then heavily discounted at a rate of 50% and then rounded down to the nearest 10. The result after this discounting is around 710 dwellings, which equates to around 47 dwellings per year over a 15 year period. This is significantly less than historic windfall rates of 136 per annum (over the period 1994-2010). Therefore, it is realistic to expect Character Area Potential sites to continue to come forward.
22. Character Area Potential also accounts for years 10-14 of the plan, with windfall making up the final year. Given previous windfall trends, it is entirely reasonable to expect windfall to fulfill the final year's housing requirement.

(b) Trajectory

23. The housing trajectory was put together in the context of PPS3. PPS3 was explicit in stating what is required for years 1-15 of the plan and not allowing unidentified sites in the first five years. This means that by necessity Character Area potential and windfall had to be identified later in the plan, when in reality, previous trends show the significant contribution windfall makes to the District's housing supply. This meant that the trajectory is as realistic as PPS3 will allow. The NPPF has relaxed the requirements for housing supply to make an allowance for windfall in the first five years of the plan. However, the Council can demonstrate a sufficient supply of

⁹ CD108: Character Area Development Potential (2010)

¹⁰ CD84 – 92a: Townscape Character Appraisals (2010)

housing without needing to adjust the trajectory to incorporate windfall. Therefore, there seems little merit in altering it.

24. As explained in (a), the expectations for the delivery of existing commitments are realistic. The Policeman's Lane and Worgret Road developers are keen to progress and developers have already been granted outline planning permission for 52 dwellings at the Grammar School in Swanage. Between 2006-2011, 1,111 dwellings of the 2,520 target were built or granted planning permission. Therefore, there is the potential to reach the District housing target well before 2027. The trajectory shows that the remaining housing requirement is spread relatively evenly, particularly during the last five years of the plan, but it is feasible that delivery rates could fluctuate. At this stage, this is impossible to predict.

(c) Assessment of previously developed land

25. There is no specific study looking into previously developed land (PDL). In Purbeck, PDL in settlements is very limited and clearly there is no potential to satisfy all housing requirements with PDL. There are large areas of PDL at Dorset Green Technology Park in Wool and Holton Heath Industrial Estate, but there are planning issues that prevent development for housing at these sites.

(d) Windfall contribution

26. As explained above in (b), the role of windfall is significantly underplayed in the housing trajectory. Windfall has previously contributed around 92% of housing delivery between 1994-2010. However, in order to conform to the requirements of PPS3, the housing trajectory had to show a 10 year supply of other sites first. The changes brought about by the NPPF make an allowance for windfall in the five year supply, but as explained above in (b), there is no particular need to adjust the housing trajectory to take this into account because even without windfall, the Council can easily satisfy a five year housing supply.
27. Even taking into account factors such as the introduction of CIL, and the impact of the 400m zone around heathland, it is still reasonable to expect unidentified sites to continue to come forward throughout the plan period.
28. Historically, there has also been a supply of dwellings from rural exception sites, agricultural workers' dwellings and lawful development certificates. These are difficult to predict, but it is also reasonable to expect such sites to continue coming forward. Character Area Potential was not undertaken for smaller villages with a settlement boundary and it is entirely reasonable for unidentified sites to come forward from these settlements. Paragraph 55 of the NPPF allows for the conversion of rural buildings in the countryside to housing and this could also likely lead to an increase in windfall.

(e) Flexibility

29. Allocations are not being phased because the housing shortage is current. Non-strategic allocations have been passed to a subsequent plan(s), but policies NW: North West Purbeck, SW: South West Purbeck, and SE: South East Purbeck allow for suitable settlement extension sites to come forward earlier at Bere Regis, Bovington and Swanage. This adds flexibility to the plan.

30. Owing to nearly half of the housing target having already been achieved and viability testing stating that viability for housing development is strong, it seems unlikely the District housing target will not be reached by 2027. Furthermore, demand for housing in Purbeck is high. However, if the economy suffers further and monitoring indicates that the housing target will not be reached, a subsequent plan(s) will be able to allocate further sites. Should the opposite happen and more development comes forward than anticipated, there could be a danger of it not meeting the requirements of The Habitats Regulations. As explained above in 4.1, in such circumstances, Policy HS: Housing Supply states that no further housing development will be permitted until suitable mitigation measures can be identified and brought forward.
31. It is clear in Policy AH: Affordable Housing of the Core Strategy that where viability is questioned, developers can fund an open book approach and contributions can be adjusted. This provides clear flexibility for changing financial circumstances.
32. Should landowners' circumstances change and settlement extension sites are no longer available, alternative sites could be identified in a subsequent plan(s) in accordance with Policy LD: Location of Development and the spatial area policies of the Core Strategy.
33. Monitoring of heathland mitigation measures should ensure that where mitigation has not proven successful, alternatives could be identified through a subsequent plan(s). This adds flexibility in terms of ecology.

4.4 Should the Core Strategy establish the Council's overall approach to housing densities, as suggested in paragraph 47 of the NPPF?

34. Housing densities are already covered in part through Policy D: Design of the Core Strategy, which requires development proposals to take account of townscape character appraisals¹¹. These appraisals set out distinctive character areas within settlements and refer to their densities within those areas.
35. Townscape character appraisals were not completed for the District's smaller settlements, but these can be addressed in a subsequent plan(s).

Suggested changes for the Inspector to consider

36. Update as per changes 18-27 of the Minor Changes Schedule¹². In particular, change 26 updates the housing supply table with recent planning permissions and therefore adjusts the figures for the five spatial areas. This change will be consulted on as a modification to the Core Strategy after the hearings have been completed.
37. The Council would like the Inspector to consider a further change to split the table in Policy HS for 'known sites' to not include Character Area Potential and list it in separate rows. This will make it easier to identify where there is an allowance for Character Area Potential.

¹¹ CD84-92a: Purbeck District Townscape Character Appraisals (2010)

¹² SD26: Minor Changes Schedule