

**Persimmon Homes South West Ltd
Respondent No. 1578**

Hearing Session : Issue 4 – 12th March 2015

NORTH DORSET LOCAL PLAN EXAMINATION

**ISSUE 4 : MEETING HOUSING NEEDS INCLUDING AFFORDABLE HOUSING AND
THE NEEDS OF GYPSIES, TRAVELLERS AND TRAVELLING SHOWPEOPLE
(POLICIES 6 TO 10 AND POLICY 26)**

Inspector's Key Issues and Questions in bold text.

4.1 Although not explicitly stated in LP1, I interpret the figure of 4,200 dwellings (280 dwgs a year) as being the Council's objectively assessed housing need for 2011 – 2026. Is this figure justified, bearing in mind it is lower than that proposed in the former Regional Strategy? What has been the role of household projections in estimating overall housing need (see PPG paragraph 015 under Housing and Economic Development Needs Assessments)?

The Council has not stated a figure for its objectively assessed housing needs (OAHN) it cannot be assumed that the housing requirement figure expressed in Policy 6 is meeting OAHN.

4.2 NPPF paragraph 47 requires the supply of housing to be boosted significantly. Between 2001 and 2011, 370 dwellings per annum were built in the District. The figure now proposed is 280 dwellings a year. Is the Council's target justified and sufficiently aspirational, in light of past rates of housing provision, including in terms of affordable housing provision? (see also question 4.12 below)

See response to question 4.4 below.

4.3 Is the inclusion of North Dorset District within the boundary of the Bournemouth/Poole Housing Market Area (HMA) justified? What are the consequences of the use of the HMA boundary, particularly for the northern part of the District?

North Dorset District Council sits at the junction of more than one SHMA. The updated SHMA report for the Bournemouth & Poole HMA identified that the northern part of North Dorset District including the towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge (three out of four of the main towns identified in Policy 2 Core Spatial Strategy as the focus for growth in the District) look towards Yeovil and Salisbury whilst the southern part of the District including Blandford lies within the periphery of the Bournemouth & Poole HMA.

However despite this acknowledgement the Council has not proved any justification for its continued inclusion in the Bournemouth & Poole HMA.

4.4 Is the Strategic Market Housing Assessment (SHMA) sufficiently up-to-date and does it reflect the guidance on SHMAs in the NPPF (paragraph 159) and Planning Practice Guidance? The 2011 SHMA Up-date concluded that overall need for housing in the District has reduced from 350 to 280 dwellings per annum since 2008 (paragraph 4.29 of MHN001), the reason given is the economic downturn. However there is evidence that the economy is recovering so can the up-dated SHMA (2012) be relied upon, bearing in mind the current economic context?

The SHMA is not sufficiently up to date. Furthermore it does not reflect the NPPG nor does it comply with the NPPF.

The NPPF states in para 158 that each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects for the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals, and at para 159 requires local authorities to prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs over the plan period.

As cited in the Company's representations to the Local Plan pre-submission consultation, given the Inspector's view on the West Dorset, Weymouth and Portland Local Plan an objection was made to the evidence base that North Dorset District Council which it relies on to determine the overall housing provision (as the SHMA for Bournemouth and Poole was produced at the same time as the SHMA for Dorchester/Weymouth in 2007 and similarly was updated in 2011 and again published in January 2012. The SHMA was also prepared by JG consulting and CBA).

Similarly, in the recent East Devon Local Plan Inspector's Interim Report (March 2014) it is highlighted the concerns surrounding the reliance on an outdated SHMA, stating at para 1 of his letter that "the 2011 update is founded in part on survey work done in 2007 and so its reliability is questionable". In the case of East Devon, the Inspector was clear that "the absence of an up to date SHMA is a serious failing and makes a full assessment of need difficult. To rectify this, the Council should produce an up to date SHMA to assess the need for housing and affordable housing."

The National Planning Practice Guidance states that evidence needs to inform what is in the plan and shape its development rather than being collected retrospectively. It should also be kept up-to-date and when approaching submission, if key studies are already reliant on data that is a few years old, they should be updated to reflect the most recent information available and if necessary the plan adjusted in the light of this information.

The proposed housing provision of 280 dwellings p.a. equates to 4,200 dwellings over the plan period 2011 – 2026, this is derived from trend based data taken across the period of the economic downturn, which suggests household growth of around 273 per annum. However, the UK economy has shown sustained recovery and stability over the past 2 years and this has been reflected in the housing market with rates of new build development at their highest levels since the recession.

Over the period of the old adopted Local Plan (1994 - 2011) the actual level of housing completions exceeded the provision in the adopted Local Plan, with the housing requirement being 5,900 dwellings at an average of 347 per annum, and the actual

completions were 6,705 i.e. an oversupply of 808 dwellings according to the AMR April 2011 (equivalent rate of 394 dwellings per annum over a period of 17 years).

The Council's proposal therefore to utilise a suppressed housing target by projecting forward a narrow recessionary growth period will have a negatively compounding effect, as not only does this fall significantly short of historic rates of delivery, it also fails to provide the Government's "step change" in housing provision to significantly boost the housing supply over the plan period in accordance with the NPPF para 47.

North Dorset District has an ageing population with a high level of young people moving out of the area which has implications for the local economy with a potential labour shortage in the future. It is recognised that this may act as a barrier to economic growth by preventing existing firms from expanding and deterring new firms from coming to the area.

Furthermore, the Council's identified affordable housing need is much higher than the numbers proposed in the Local Plan. The updated SHMA report identified 387 affordable housing units per annum (over the next 5 years) to meet need. Therefore the Council is not meeting in full this objectively assessed need as required by the NPPF. The Council have not provided evidence of fully exploring options to deliver more affordable housing or to justify curtailment of affordable housing provision. This is a concern as affordability is identified as a major issue in North Dorset.

Based on the Council's objective to deliver on average 35% of all new dwellings across the District as affordable housing, the Council's current housing target of 280 homes per annum may, at best, realise the provision of c.98 affordable homes per annum.

When compared to the level of affordable housing provision that could be delivered based on projecting forward the higher rates of past housing growth (at 394 dwellings per annum), an additional 600 units of affordable housing could be delivered within the District over the plan period 2011 – 2026, as the table below illustrates:

	No of affordable units based on current Local Plan Housing Target to deliver 280 dwellings p.a. @35%	No. of affordable units based on projecting forward past rates of delivery of 394 dwellings p.a. @35%	Net change in number of affordable units delivered based on 35% of all dwellings
Per annum	98	138	40
Over a period of 15 years (2011-2026)	1470	2070	600

Whilst the SMHA states that in reality 387 affordable units per annum is not likely to be achieved, an increase in the housing provision above 280 dwellings per annum as proposed would be a positive action in addressing the significant house price income ratio in North Dorset. It is considered that that low housing provision of only 280 per annum compared with past rates in the adopted Local Plan and more recently evidence since the recession, will not address the housing needs of the district, in particular the affordable housing needs.

On the basis of the evidence of past rates of growth over an extended period (17 years) it is considered that the Council's suggested growth figure of 4,200 dwellings over the period 2011 – 2026 would effectively act as a significant and unnecessary

policy 'restraint' to development that may have far reaching implications for the economic prosperity of the District.

The Company therefore considers that the Council should seek to increase the housing targets for the District based on meeting the full objectively assessed need, and that this should reflect a longer term trend for delivery rather than the narrow recessionary period advocated through the 2011 SHMA update, to provide at least 394 dwellings per annum.

It is clear from the evidence base that the SHLAA identifies a land supply with a capacity in excess of 13,000 dwellings and the background paper Meeting Housing Needs states that using the 2010 base year, 1,872 dwellings were considered to be deliverable within 5 years as they had no policy ownership constraints relating to them, this is about 374 dwellings per annum. The supply of suitable housing sites is therefore not an issue constraining the overall housing provision proposed in the plan as more land can be identified than is required to meet the proposed provision of 4,200 dwellings (280 per annum).

The Company considers that the Housing Target set out in the Plan should be amended to at least 5,910 dwellings based on delivery of 394 per annum over the period 2011-2026, and that any extension to the term of the Plan period should be pro-rata.

4.5 Is the Strategic Housing Land Availability Assessment (SHLAA) sufficiently up-to-date?

The Council's SHLAA of 2011 is somewhat dated. Paragraph 158 of the NPPF requires that *"each LPA should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence"*. Whilst Paragraph 159 continues *"LPA should have a clear understanding of housing needs in their area. They should prepare a 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"*.

4.6 Can the Council demonstrate a 5 year supply of housing plus appropriate buffer; and locations for growth for years 6 to10 and 11 to 15 (NPPF paragraph 47)?

No specific comment.

4.7 Why is there no housing trajectory included within the plan or a clearly expressed implementation strategy (NPPF paragraph 47)? (see also question 12.1 on monitoring)

It is difficult to monitor or assess the Council's assumptions surrounding housing delivery in the District without any form of housing trajectory or implementation strategy.

4.8 Is the Council's approach towards taking into account vacancy rates and second homes, in the overall housing figures, reasonable and justified?

An explicit adjustment for second homes (which account for 1.6% of the current housing stock in North Dorset) should be made to the Council's housing requirement calculation.

4.9 Should the contribution that existing commitments and potential windfalls make to overall housing provision over the plan period be clarified?

No specific comment.

4.10 Is the proposed housing distribution (policy 6) based on a sound assessment of land availability and delivery? Is there any evidence that the proposed distribution cannot be satisfactorily achieved?

The principle of growth at Gillingham is supported.

4.11 Is the housing mix proposed in policy 7 justified? Is policy 7 too prescriptive? Should the reference in paragraph 5.34 be to bedroom numbers rather than size? Does the Council's approach meet the objectives of paragraph 50 of the NPPF, with regard to delivering a wide choice of family homes?

The proposed housing mix is too prescriptive and does not allow the development industry the necessary flexibility to adjust its product mix over the course of the Plan period to respond to changing market demands and conditions. Similarly, there are likely to be variations in the demand for particular unit types and sizes across different settlements within the District, and the imposition of a generic and inflexible approach for all schemes of more than 10 dwellings irrespective of locational factors or individual site context is considered to be a somewhat crude policy instrument which is likely to prove ineffective.

The Company would suggest that the references to Housing Mix within Policy 7 be deleted.

4.12 Bearing in mind the SHMA Up-date (MHN004) concludes in paragraph 5.7 that there is a need to provide an additional 387 units of affordable housing per annum (up to 2016), has the Council placed sufficient weight on meeting the District's affordable housing needs? Will the Council's policies deliver a reasonable amount of affordable housing and in the locations where need is greatest? Is the advice in paragraphs 173 and 174 of the NPPF sufficiently reflected in LP1? What is the justification for seeking a reduced provision in Gillingham?

See responses to question 4.4 above. There appears to be no justification for seeking a reduced provision within Gillingham. It is considered that given Gillingham's role in the Plan in terms of accommodating development needs, and the Town's relatively unconstrained nature as set out in the 2009 Growth Study, that additional development sites should be identified in Gillingham through the Local Plan in order to meet development needs consistent with the NPPF.

4.13 Is the Affordable Housing threshold justified and would the requirements of policy 8 put at risk the financial viability of any housing schemes? Is the policy sufficiently flexible? Is the reference to the involvement of the District Valuer appropriate?

No specific comment.

4.14 Is the affordable rent/intermediate housing split justified and in line with current evidence and is it reasonable for the Council to seek the provision of social rented housing in some circumstances (paragraph 5.105)?

No specific comment.

4.15 Are the requirements of policy 9 too restrictive and unduly onerous? How would the Council exercise its discretion regarding the provision of market homes?

No specific comment.

4.16 How do the Council define 'in-filling' (policy 7)?

No specific comment.

4.17 Has the Council properly addressed the housing needs of the elderly and people with disabilities?

No specific comment.

4.18 Is the Council providing sufficient support for people wishing to build their own homes?

No specific comment.

4.19 Has the Council satisfactorily considered the relationship between housing provision and employment trends (PPG paragraph 018 under Housing and Economic Development Needs Assessments)?

No specific comment.

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