

**INTRODUCTION:**

1. This statement comprises responses on behalf of Lightwood Strategic Ltd to the 'Additional Mid-Hearing Written Material' published by North Dorset District Council on 30<sup>th</sup> April 2015, with a deadline for responses by 15<sup>th</sup> May.
2. These responses relate to the following documents: MHD006, MHD007, MHD008, MHD010 and MHD018.
3. The short timescale for responses has caused difficulties because of the volume of additional material and the need to seek clarification from North Dorset Council on:
  - a) the relationship between the recommendation in MHD006 to extend the plan period to 2031 and proposed changes in the Schedule of Changes (MHD018); and
  - b) the basis for assessment of housing needs in rural areas, as summarised in MHD007 (Appendix 1).
4. In relation to a) the Council has subsequently explained by email that the Schedule of Changes (MHD018) only includes changes previously discussed and does not include changes in response to the Inspector's questions that could be the subject of Main Modifications which will need to be advertised for post-Examination consultation under Section 20 (7C) if they are recommended by the Inspector.
5. *'The Council's preference, after further consideration during the Hearing discussions, is for the Plan period to be 2011-2031 as set out in MDH006. This supersedes the Schedule of Changes which nevertheless have to be included for the record - since these detailed points relating to the original and shorter plan period as submitted were discussed during the Hearing albeit now overtaken.'*
6. In relation to b) the Council placed a brief statement on the Local Plan Examination web pages on Monday 11<sup>th</sup> May.
7. The Schedule of Changes in MHD018 is therefore of limited help to participants as it excludes changes that are being recommended in the other 'Additional Mid-Hearing Written Material'.
8. We have also found that the Council's additional statement on their approach to assessing housing needs in rural areas does not provide a satisfactory answer to our questions and, in the absence of further information from the Council, it is necessary to maintain the questions raised in the following responses.

**MHD006: Duty to Co-operate, Legal Requirements and the Council's Broad Strategy – extending the plan period; the need for early review of Local Plan Part 1; and the relationship with Local Plan Part 2**

9. We welcome the recommendation that the plan period be extended to 2031, but are puzzled that this recommendation does not appear to be reflected in the *'Pre-submission Document Schedule of Changes Arising from the Hearings'* (MH018), for example in proposed changes to Policy 6 and the explanatory text in Chapter 5 (*'Meeting Housing Needs'*) and consequent changes to other chapters of the Local Plan.
10. We welcome the correction of the allowance for unoccupied dwellings (in paragraphs 3.4 and 3.5) to include second homes as well as vacant dwellings.
11. Although the recommendation of an early plan review is supported, we do not agree that Local Plan Part 1 should proceed to adoption on the basis of an inadequate overall supply of market and affordable housing and a settlement strategy that fails to take account of housing needs in the rural settlements.
12. The recommended overall housing supply to 2031 of 5,700 (285 p.a.) remains too low for reasons that were discussed on Issue 4 at the hearings, including the influence of restrictive planning policies on past trends, the need to consider employment growth and market signals, and the fact that a rate of new housebuilding of 285 dwellings per annum would represent a reduction on recent levels of house building in the District which would not serve the Government's aim in NPPF paragraph 47: *'to boost significantly the supply of housing.'* The proposed rate of housebuilding would not deliver the supply of affordable housing shown to be required by the SHMA, and would not allow for the accommodation of any unmet needs from neighbouring districts that are tightly constrained such as Poole and Purbeck.
13. The recommended extension of the plan period needs to be accompanied by a housing target that will comply with policies of the NPPF and advice in Planning Practice Guidance on the assessment of housing needs, and by a settlement strategy that will deliver the higher housing target and provide a better distribution of housing to reflect the needs of the rural areas as well as those of the four main market towns. The proposed approach to housing supply (paragraphs 3.6ff) increases the concentration on the four main towns by relying primarily on *'adjustments to the capacity of broad locations for growth'* in Blandford St Mary and Sturminster Newton. It does not therefore address the Inspector's concerns about compliance with the guidance of the NPPF and PPG in relation to rural areas.

14. The Inspector asked the Council to assess the need for growth and re-assess the policy approach to housing and employment in the rural areas, in the light of the aims of NPPF paragraphs 17 and 28: *'supporting thriving rural communities,'* and *'to support a prosperous rural economy.'* The Council's response (in paragraphs 3.20 and 3.21 of MHD006) comprises 96 dwellings on SHLAA sites within Stalbridge and the eighteen larger villages and *'residual need'* of at least 177 dwellings to be allocated in the rural areas through neighbourhood plans or Local Plan Part 2.
15. Local Plan Part 1 should provide a policy framework for development in the rural areas that is consistent with the NPPF and PPG, which is absent from this plan. The proposed changes do not add significantly to the draft plan. In recognising that there are developments and opportunities in Stalbridge and the eighteen more sustainable villages, Local Plan Part 1 should review their settlement boundaries or at least facilitate development on the edge of settlements if it is sustainable and consistent with other policies of the plan.
16. This issue is discussed further in relation to MHD007, **however it is clear from all the *'Additional Mid-Hearing Written Material'* that the Council has not been prepared to re-consider its approach to overall housing provision or its settlement strategy in response to the Inspector's requests.**
17. We do not agree that an early review of Local Plan Part 1 obviates the need for more realistic approaches to overall housing provision and housing in rural settlements in particular, in advance of the Eastern Dorset SHMA and do not therefore agree that the Council's current policy approach is a sound basis for an adopted Local Plan Part 1.
18. In Section 5 of MHD006, Figure 5.1 makes a comparison between household growth and number of dwellings. A relevant comparison should increase the number of households (273) by 6% to allow for unoccupied dwellings (2011 Census), i.e. 289 dwellings, which means that the Local Plan target is not meeting needs identified in the SHMA. There is also a need to take account of market signals and to consider affordable housing needs.
19. We support the proposal referred to in MHD006 paragraph 5.4 to extend the plan period to 2031, but are not convinced that the SHMA and the new material from JGC (in Appendix 1 to MHD007) provide a sound approach to the District's housing needs in general or the needs of the rural areas in particular. Extending the plan period makes the need for re-consideration of housing needs even more necessary.

20. In Section 6 of MHD006, the Council argues that Local Plan Part 1 can be adopted on the basis of an early review, which might be consolidated with site allocations and development management policies that are proposed to be included in Local Plan Part 2. However, there is also uncertainty about the future form of development plans in North Dorset, following the Dorset Governance Review which could result in the merger of planning functions such as development planning between the existing districts through the operation of a joint committee or the creation of a combined authority.
21. There are therefore substantial uncertainties about when housing need assessments resulting from the Eastern Dorset SHMA would be reflected in local plan policies. The Council suggests (in paragraph 6.5 of MHD006) that Local Plan Part 1 could be adopted on the basis of minor wording changes to Policy 2 and paragraph 3.55 to indicate that existing settlement boundaries for the four main towns would be used for development management purposed *'alongside proposals for housing and employment growth and regeneration, as set out in Policies 16, 17, 18, 19 and 21'* and that the *'broad locations'* could then be included in the five year housing land supply. These broad location should be the subject of site allocations if they are to contribute to the housing land supply
22. In addition to making strategic allocations for the four main towns, we believe that it is essential for Local Plan Part 1 to indicate the need for changes in the settlement boundaries of Stalbridge and the eighteen *'more sustainable villages'*, to provide some certainty and confidence that housing needs (reviewed to a realistic level for the District and the rural settlements) can be delivered.
23. The Council's proposed approach is to avoid taking important strategic decisions on housing needs and provision, and on settlement strategy, in Local Plan Part 1. However, given the limited interest in neighbourhood planning outside the main towns and the uncertainties about Local Plan Part 2 and an early review of Local Plan Part 1, the Council's proposed approach to the adoption of Local Plan Part 1 does not comply with the requirements of the NPPF paragraph 47 for housing land supply or the requirements of NPPF paragraph 157 for positive planning over an appropriate time scale, taking account of longer term requirements. It is also not compatible with the Council's proposal to extend the plan period to 2031.

**MHD007: Duty to Co-operate, Legal Requirements and the Council's Broad Strategy – Note on re-appraising the Council's approach to development in the countryside to promote a strong rural economy**

24. The Council has recognised that Stalbridge and the eighteen larger villages are more sustainable than other rural settlements and proposes that they should have settlement boundaries rather than being treated as open countryside. 826 dwellings are proposed to be located in these settlements between 2011 and 2031 (41 per annum) of which the Council believes 649 could be provided from sources identified in MHD007, including 553 from sources identified in MHD003 (completions, commitments, windfall sites and emerging neighbourhood plans) and 96 from SHLAA sites within the boundaries of these settlements, leaving a *'residual need in rural areas to be allocated in LP3/NPs'* for 177 dwellings. However, retention of settlement boundaries identified in the 2003 Local Plan is not a sound approach. They should be reviewed or a more flexible approach to development adjoining the settlement boundaries should be adopted.

25. In practice, therefore, the policy approach to housing in Stalbridge and the larger villages would remain highly restrictive. The total figure taken as the housing need of the rural settlements (826) represents only 14.5% of the proposed District target of 5,700. Currently the rural areas accommodate about half of the District's population. The policy approach is one of an increasing concentration on the four main towns to accommodate 85.5% of the District's housing needs. The Council has not therefore addressed the Inspector's concerns.

26. The figure of 826 dwellings does not represent housing needs arising in the rural settlements or the housing needs of existing residents of the rural settlements. It is in fact simply the average of two highly artificial household projections, neither of which represents a proper assessment of rural housing needs; a zero net migration projection and a zero gross migration projection.

27. Paragraph 4.10 of MHD007 states:

*'Following the local plan hearings, the Council has commissioned JG Consulting to undertake further work (see Appendix 1) to understand housing need in Stalbridge, the MSVs, LSVs and open rural areas, both in terms of the needs of existing populations and the need for in-migrants to locate to the countryside. This analysis shows that 41 dwellings per annum of the overall District need for 285 annual dwellings to 2031 is generated specifically from rural areas. Over the 20 year period*

*of LP1, that equates to 826 of the 5,700 dwellings required in total between 2011 and 2031.'*

28. Appendix 1 of MHD007 provides only a one-page summary of the assessment which does not include a full account of the approach. It offers the following explanation: *'To try to establish how much need arises in rural areas we have used demographic projections to look at the level of housing generated by the local population of the District, and therefore how much is supported by net in-migration.'*
29. The projections were a zero net migration projection and a zero gross migration (*'natural increase'*) projection. The Council's subsequent explanation posted on the Examination web site on 11<sup>th</sup> May appears to indicate that the migration data used for the zero net migration projection was at District level and was apportioned to parts of the District in accordance with current population levels. This approach does not provide a sound basis for assessing rural housing needs. It takes no account of migration within the District and it assumes that migration flows into and out of the District are proportionately similar in different parts of the District
30. The two demographic projections are purely *'theoretical'* constructs that cannot fulfil the stated requirement in Appendix 1: *'to understand housing need in Stalbridge, the MSVs, LSVs and open rural areas, both in terms of the needs of existing populations and the need for in-migrants to locate to the countryside.'* The Inspector's request for an assessment of housing needs in the rural areas has not been answered. The exercise undertaken by the Council appears to be an attempt to justify the approach of concentrating housing provision within the four main towns, with minimal change to the submitted Local Plan policies.
31. It is also not clear why provision for a *'residual need'* for housing in rural settlements (whether or not the council's figure has any justification) must await the allocation of sites in Local Plan Part 2 or neighbourhood plans, especially with uncertainties about the timing of LP2 and the take-up of neighbouring planning outside the main towns. Within Stalbridge and the 18 *'more sustainable'* villages, it is possible to identify opportunities for extending settlement boundaries in Local Plan Part 1 and to do so on the basis of a realistic assessment of rural housing needs, using primary data sources such as local housing needs surveys and housing waiting lists. This approach should be applied in order to be consistent with the NPPF and PPG. As currently proposed the strategy is unsound.

32. We have pointed out in previous submissions that an allocation for 240 homes at Stalbridge (which has a population of some 2,700) would be proportionate, for example in comparison with Sturminster Newton which has a population of about 4,300 and an allocation of 380 homes proposed in draft Local Plan Policy 6. Stalbridge has good shops, local employment and other facilities, and is well placed to serve a wider area including neighbouring settlements like Henstridge.

**MHD008: Housing – considering the additional contribution care homes can make to housing supply; showing changes to housing trajectory**

33. We agree that care homes with planning permission should be included in the housing supply trajectory.
34. We understand that 96 dwellings have been included in the housing supply trajectory from year 7 in Stalbridge and the eighteen larger villages, from SHLAA sites within the existing settlement boundaries. We do not understand the basis for the allowance of 177 dwellings expected to be delivered after 2020 in Stalbridge and the eighteen larger villages for sites that will be allocated in Local Plan Part 2 or anticipated through neighbourhood plans.
35. If settlement boundaries are to be re-introduced for Stalbridge and the eighteen larger villages, there must be scope for the existing boundaries to be modified in Local Plan Part 2 (or neighbourhood plans). The Council's reasons for its approach to rural settlements in the submitted draft Local Plan Part 1 included concerns about excessive infill development changing the character of rural settlements by the loss of gardens and other existing open spaces. Appropriate developments on the edges of settlements would avoid placing excessive pressures for change on undeveloped land within the existing settlement boundaries.
36. The modified housing trajectory in MHD008 highlights the excessive reliance on a small number of larger sites in the four main towns, including the Gillingham Southern Extension and a reducing supply of housing land to less than 200 dwellings per annum after 2021, if the forecast level of completions is achieved between 2015 and 2021. It shows that the District Council is planning to reduce housing supply over the plan period rather than *'boost significantly the supply of housing.'* The approach proposed in the Mid-Hearing documents will also increase the reliance on a small number of large sites in the main towns.
37. We object to the proposal in paragraph 4.3 of MHD008 that an allowance for additional sites in Stalbridge and the eighteen *'most sustainable villages'* should have to await LP Part 2 or neighbourhood planning. This proposal does not amount to a sound rural settlements strategy for LP Part 1.



**MHD010: Note on legal view of implications of Satnam Millennium Limited v Warrington Borough Council (2015)**

38. It is not clear if this is a legal opinion. It simply identifies four legal principles that were raised by this High Court case and then asserts that the Council has complied with these principles:

- Including an objective assessment of the need for affordable housing as part of an objective assessment of overall housing need;
- Considering whether the objectively-assessed need for affordable housing is likely to be delivered as a proportion of overall housing supply;
- Considering whether an increase in the Local Plan target for total housing supply could help to deliver the assessed need for affordable housing; and
- Ensuring that the Local Plan meets the need for affordable housing subject to relevant planning constraints.

39. The 2012 SHMA Update indicates a need for 387 affordable dwellings per annum. It is clear that this figure cannot be delivered as part of a total planned housing provision of 285 dwellings per annum.

40. The Council's position (in paragraph 3.5 of MHD010) is to say that part of the requirement for affordable housing will be met by the private rented sector and that attempts to provide 387 affordable dwellings per annum would result in (unspecified) problems in the housing market. If a reduction in demand for private rented accommodation could be achieved in practice the results are more likely to be positive and could include reductions in over-crowding and sharing, improved standards of accommodation and perhaps reductions in rent.

41. These matters were discussed in the hearings, in the light of the NPPF, Planning Practice Guidance, this High Court case and the preliminary conclusions of the Eastleigh Local Plan Inspector that there is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the private rented sector with local housing allowance ('housing benefit'); that the availability of private rented accommodation is outside the control of the Council; and that there are substantial qualitative differences between affordable housing and private rented housing funded by local housing allowance.

42. North Dorset Council's arguments for discounting the SHMA's assessment of affordable housing need are in fact entirely specious. In paragraph 3.16 of MHD010, they say, without justification or quantification, that *a 'simple uplift in the overall housing figure would not help in the delivery of affordable housing in the District.'* Whilst some discounting of the SHMA's headline figure for affordable housing need may be reasonable, any discounting needs to be justified on the basis of expectations about the continuing role of the private rented sector and policy judgments about the suitability of that sector to meet the identified housing needs (e.g. for family housing) in the specific circumstances of the housing stock in North Dorset.
43. It is obvious that some uplift in total housing supply is needed in the light of the gap between an assessed need for affordable housing of 387 p.a., a proposed overall housing supply of 285 p.a., and Policy 8, which provides for up to 40% affordable housing on mixed-tenure schemes (with 30% in Gillingham and 35% in the Gillingham southern extension).
44. In response to the fourth principle of ensuring that the Local Plan meets the need for affordable housing subject to relevant planning constraints, the Council simply says (in paragraphs 3.17 and 3.18 of MHD010) that *'the Council aims to provide as much affordable housing as can be realistically delivered within strategic viability and other constraints, whilst also having regard to other matters.'* This is not an adequate response to the fourth principle. The Council has not demonstrated any attempt to increase housing supply significantly with the aim of more closely meeting affordable housing needs. Nor has it considered modifying the distribution of housing provision to enhance the provision of affordable housing (including meeting the housing needs of the rural settlements).
45. Contrary to the Council's conclusion in paragraph 4.1 of MHD010, it is clear that the Council has not made a serious attempt to meet the objectively assessed need for affordable housing need by modifying the overall housing targets of the Local Plan. The judgment of Mr Justice Stewart in the case of *Satnam Millennium Ltd v Warrington Borough Council* could apply to the North Dorset Local Plan Part 1.

**MHD018: Schedule of changes arising from the hearing sessions**

46. Our responses on MHD018 are largely about the absence of proposed changes to reflect hearing statements and the Council's written responses to the Inspector's questions. The changes proposed by the Council in their Additional Mid-Hearing Statements MHD006, MHD007, MHD008 and MHD010 are minimal – as discussed earlier in this note. However, it is surprising that they are not all reflected in the Schedule of Changes (MHD018). We may have misunderstood the relationship between the written responses and the proposed changes, but there appear to be inconsistencies, for example in relation to the proposal to extend the plan period to 2031 (in MHD006), which is not reflected in MHD018, or the revised housing requirement.
47. The reasons given for the proposed changes to Policy 6 (5/6/13 to 5/6/19) are *'to reflect issues raised at the hearings'* but the proposed changes – and in particular the changes in housing numbers – come nowhere near responding to the issues raised at the hearings or in the Inspector's questions, for reasons discussed earlier in this note.
48. The Council has subsequently explained by email that proposals in the Additional Mid-Hearing Statements, such as extending the plan period (in MHD006), supersede the Schedule of Changes. The Schedule therefore has limited value, as there are inconsistencies with the Council's proposed approaches as described in the Additional Mid-Hearing Statements. The proposed changes need to be considered together and it is therefore difficult to comment on the Schedule of Changes in its current form.
49. The implications of extending the plan period need to be considered in conjunction with the Council's proposed approach to Local Plan Part 2 and early review of Local Plan Part 1. They also need to be considered in the light of a review of overall housing needs, rural housing needs, site allocations in the four main towns, and the distribution of housing through the settlement strategy including the need for site allocations and revised settlement boundaries for Stalbridge and some of the eighteen more sustainable villages.