

**Matter 1 Evidence / 558499
Sembcorp Bournemouth Water**

**CHRISTCHURCH & EAST DORSET CORE STRATEGY
EXAMINATION IN PUBLIC**

**ISSUES FOR DISCUSSION
MATTERS & ISSUES 1/1, 1/4, 1/5 & 1/7**

OVERALL STRATEGY

AUGUST 2013

1.0 INTRODUCTION

- 1.1 This statement comprises a response to the issues identified by the Inspector in the Examination in Public (EIP) into the soundness of the Christchurch & East Dorset Core Strategy (CS). This submission is on behalf of Sembcorp Bournemouth Water (“Sembcorp”), the owners of land at Marsh Lane, Christchurch. The site was previously allocated in Policy CN 3 for the residential development of 90 dwellings in the CS Pre-Submission Document (SD 1), April 2012. However, following representations from Natural England, the site allocation was withdrawn in the Schedule of Proposed Changes to the CS (SD 18); November 2012.
- 1.2 It is submitted on behalf of Sembcorp that to make the CS sound, the site should be re-allocated for residential development within a Main Modification (MM). It is for that purpose that representations are now submitted on the Matters and Issues identified by the EIP Inspector.

2.0 MATTER & ISSUE 1/1

- 2.1 DO THE CS VISION AND OBJECTIVES SET OUT A ROBUST BASIS FOR TACKLING THE KEY ISSUES THAT HAVE BEEN IDENTIFIED?
- 2.2 The CS Vision and Objectives are not considered to be a robust basis for tackling certain key issues, in particular housing delivery - including affordable housing. The most recent 2011 based population projections (ED 30) indicate that within Christchurch, the population is likely to increase at a rate over and above the 2008 and 2010 based projections. However, the number of households is predicted to grow at a rate similar to the previous predictions. The rate of population growth will not therefore be met by the same rate of housing growth.
- 2.3 One consequence of this is that there will be greater occupancy levels in the future housing stock - potentially overcrowding. This merits CS policies that will increase in the number of houses to be built in the future, to match population and housing growth.

- 2.4 The failure to plan positively for population growth is most likely to affect those future residents that cannot afford or obtain access to open market housing. Restrictions on housing supply will always be to the disadvantage of those people with lower incomes. This will increase the need for affordable housing. The unmet housing needs of the area are therefore likely to increase, which is contrary to the CS Vision to decrease unmet housing need, albeit without eliminating it completely.
- 2.5 The delivery of affordable housing is already of significant concern. The Strategic Housing Market Assessment (Christchurch Summary Update - ED 28), states that there is a need for 332 affordable housing dwellings over the period 2011 - 2016; 1,660 in total. However, only 158 have been constructed in the last four years. The recent historic delivery trend of just under 40 affordable dwellings per annum is woefully short of actual need. This again indicates that the CS can only be made sound by allocating additional sites for development where affordable housing delivery can best be achieved; i.e. on additional greenfield sites. They can deliver high levels of affordable housing that can not be achieved on small sites.
- 2.6 The CS relies on two principal sources of residential supply; greenfield urban extensions (of which the majority are on the Roeshot Hill) and windfall sites from within the urban area. If either of these sources fails to deliver the required quantum of housing, the CS housing objective will fail.
- 2.7 In respect of sites within the urban area, a 'step change' in the delivery of affordable housing is introduced through a new policy; LN 3. This requires all residential development sites to contribute to affordable housing, irrespective of the size of the site - provided that there is a net increase in the number of dwellings. ED 28 also acknowledges this, but states (in Paragraphs 5.17 and 6.8) that maximising affordable housing must be tested against the availability, suitability and the viability of housing land development.
- 2.8 There is no evidence that Policy LN 3 will deliver affordable housing to help meet the required target. Thus far, viability testing has only been undertaken in the context of the introduction of the Community

Infrastructure Levy (CIL) - see ED 23. This is of concern, given that the CS requires 2,140 dwellings to come forward on sites within the urban area, of which 40% (856) should be affordable.

- 2.9 Further submissions on affordable housing will be set out in the response to Matters and Issues 7 (C), but viability remains a key theme of this statement.
- 2.10 Paragraph 4.17 of the CS refers to the housing strategy being informed by a number of evidence based studies, including the 2011 Strategic Housing Land Availability Assessment (SHLAA). The SHLAA was updated to 2012 (ED 32), but without being the subject of the external scrutiny as set out in the SHLAA Protocol. This error was subsequently corrected, with the author of this statement being afforded the opportunity, as a Panel Member, to comment on the SHLAA assumptions.
- 2.11 It is considered that the SHLAA substantially over-estimates the contribution that inner urban, or windfall sites, will make to the housing delivery targets. The following were identified as key issues:
- Environmental constraints.
 - Viability.
 - Development on garden land.
 - The implementation rate of planning permissions.
 - The recent change to the use classes order.
- 2.12 Environmental constraints and the recent change to the use classes order were considered in our SHLAA response to have a marginal impact on housing delivery. However, viability was considered to be a major constraint. Policy LN 3 will require sites to accommodate a substantially greater level of development in order to cross subsidise the affordable housing. The scale of development would be unlikely to be acceptable for a variety of planning policy and other considerations, including visual impact; and the effect on the character of the area.

- 2.13 Our SHLAA response considered that the impact of Policy LN 3 will result in many potential residential development sites failing to reach land values in excess of either (i) the Existing Use Value (EUV) or (ii) EUV plus sufficient enhanced profit to encourage a landowner to bring a site forward for development.
- 2.14 The alteration to the definition of brownfield land to exclude residential gardens will lead to an inevitable slowing down of the rate of delivery from this supply source. Historic trends therefore need to be re-evaluated.
- 2.15 It is considered that the viability issues that now need to be considered in implementation of Policy LN 3 will result in a number of planning permission not being renewed. The SHLAA Panel previously agreed a 10% non-implementation rate. This is advocated again here.
- 2.16 Given the prediction that windfall rates will reduce in the future, the CS needs to have alternative and additional sites allocated for development in order to meet the residential delivery target. The land at Marsh Lane is entirely suitable. It's deletion as an allocation was based solely on representations by Natural England that there will be an adverse impact on nearby protected heathland. However, independent advice provided to Sembcorp by Nicholas Pearson Associates (NPA), demonstrates that the site can be successfully developed without adverse impact.
- 2.17 The assessment provided by NPA is included as **Appendix 1** to this statement. The evidence contained in this work concludes that the development of land at Marsh Lane can proceed on the basis of (i) provision of an on site Sustainable Alternative Natural Green Space and (ii) additional off site mitigation measures.
- 2.18 On this basis it is submitted that the CS can pass the test of soundness by including additional urban extension sites, including land at Marsh Lane. This alternative approach, albeit one that was contained in SD 1, will positively plan for the objective of achieving the key issue of meeting the required dwelling targets for both open market and affordable housing.

2.19 It is also submitted that the CS fails to meet the requirements of Paragraph 47 of the National Planning Policy Framework (NPPF). This requires the Local Plan (or CS) to meet the “*full, objectively assessed needs for market and affordable housing...*”. Meeting the full needs means to eliminate them. The CS fails to do this - it only seeks to reduce unmet housing need. Urban extensions to accommodate more new housing will fulfil the NPPF requirement.

3.0 MATTER & ISSUE 1/4

3.1 IS THE PROPOSED QUANTUM OF HOUSING DEVELOPMENT (KS 3) JUSTIFIED BY THE EVIDENCE?

3.2 The EIP Inspector has questioned whether the proposed level of housing takes account of unmet need in adjacent districts, up to date population data, inward migration; and employment growth. Comment has already been made on the fact that the population in Christchurch is expected to grow at a faster rate than previously projected, but without being matched by household growth. Apart from this, there is no evidence to suggest that unmet need, inward migration and employment growth has been ignored.

4.0 MATTER & ISSUE 1/5

4.1 SHOULD THE HOUSING PROVISION ALLOW 10% FOR VACANCY RATES AND SECOND HOMES; AND PROVIDE A SEPARATE TARGET FOR EACH COUNCIL AREA?

4.2 This statement contains no evidence on vacancy rates. However, the inclusion of a separate housing target for each council is supported. Whilst the CS is a joint document, it would be inappropriate for one council to rely too heavily upon another to achieve the overall housing targets. These will continue to be monitored in the normal way, with separate Annual Monitoring Reports advising of development progress - and any shortfalls.

4.3 For example, in Christchurch it would be inappropriate to rely on the East Dorset urban extension sites coming forward for development I, the Roeshot

Hill strategic allocation is delayed for any reason. As things stand, the Roeshot Hill site is so fundamental to housing delivery in Christchurch (the SHLAA anticipates 200 dwellings constructed in years 1-5 of the CS), that any delay to its implementation will have substantial adverse consequences for housing land supply in the borough.

4.4 It is for this reason that the CS will be sound if the housing delivery targets, and the components of supply, are robust. This statement proposes the following housing land supply table:

COMPONENT OF SUPPLY	DELIVERY TARGET
Remaining Christchurch Local Plan Allocations ¹	0
Outstanding Planning Permissions as at March 2012 ² - 462	
Less 10% for Non-Implementation - 46	416
CS Allocations:	
Roeshot Hill	860 ³
South of Burton	45
Marsh Lane	Up to 90
Unidentified Windfall Sites	1,724
Total	3,135

Table 1: Residential Land Supply in Christchurch

Note 1: As all Christchurch Local Plan allocations benefited from planning permission in March 2012, they are included in the permissions category to avoid double counting.

Note 2: Source - Dorset County Council Development Statistics.

Note 3: The Roeshot Hill allocation is reduced due to the inclusion of the Marsh Lane site.

4.5 The total for unidentified windfall sites equates to 115 per annum over the fifteen year plan period. This can be compared to the last three year completion rates for windfall sites, or otherwise expressed as Previously Developed Land (PDL) of 102, 103 and 62 (2009 - 2012). The figure for windfall in Table 1 therefore still represents an increase on recent trends;

notwithstanding the earlier representations regarding the affect of Policy LN 3.

5.0 MATTER & ISSUE 1/8

5.1 IS THE NEED FOR HOUSING TO BE LOCATED OUTSIDE OF THE URBAN AREAS / IN THE GREEN BELT JUSTIFIED BY THE EVIDENCE?

5.2 The matters set out earlier in this statement point to a justification to allocate additional urban extensions, based on a critique of the evidence base. In particular, the affordable housing policy change has been highlighted as a constraint to the development of windfall sites, where EUV's will be at probative levels.

5.3 In addition, the introduction of CIL will add a further burden to the development process, restricting supply, particularly on PDL; and particularly on small sites. This is because Christchurch and East Dorset Councils have commenced consultation on an Affordable Housing Supplementary Planning Document (SPD) (OD 24.1). It suggests that where affordable housing cannot be provided on site, an off site financial payment is made at the rate of £350.00 per metre² (Gross Internal Floor Area). If this is eventually adopted, the combined CIL and affordable housing contribution will be £450.00 per metre².

5.4 These costs are extremely high; amounting to anywhere between one third and one half of actual construction costs (which can vary according to how they are defined). This will inevitably impact on the deliverability of windfall sites, with the EUV again being prohibitive to development deliverability.

5.5 Because of their low EUV, greenfield sites do not suffer this constraint. They are more readily able to absorb the planning gain costs. The CS policy approach should therefore advocate the development of more urban extension sites - as submitted earlier in this statement. This again points to the fact that the re-instatement of the Marsh Lane site for the residential

development of up to 90 dwellings will produce a CS that is defined as sound.

APPENDIX 1

Ecological Appraisal:

Nicholas Pearson Associates

(Provided separately on electronic version)