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Representor ID # _____ Ack: _____
Representation # _____

North Dorset Local Plan Part 1

Pre-submission Consultation 29 November 2013 to 24 January 2014

Regulation 19 of Town and Country Planning (Local Planning) (England) Regulations 2012)

Response Form



For each representation you wish to make a separate response form will need to be completed.

This is a formal consultation on the legal compliance and soundness of the Local Plan before it is submitted to the Secretary of State for examination by an Inspector. For advice on how to respond to the consultation and fill in this form please see the 'Guidance Notes for Making Representations' that can be found on the Council's website at www.dorsetforyou.com/planning/north-dorset/planning-policy

Please return completed forms to:

Email: planningpolicy@north-dorset.gov.uk

Post: Planning Policy, North Dorset District Council, Nordon, Salisbury Road, Blandford Forum, Dorset DT11 7LL

Alternatively you can submit your comments online at: www.surveymonkey.com/s/NorthDorsetLocalPlan

Deadline: 5pm on 24 January 2014. Representations received after this time may not be accepted.

Part A – Personal details

This part of the form must be completed by all people making representations as **anonymous comments cannot be accepted**. Representations cannot be treated in confidence as Regulation 22 of the Town and County Planning (Local Planning) (England) Regulations 2012 requires copies of all representations to be made publically available. By submitting this response form on the pre-submission North Dorset Local Plan Part 1 you consent to your information being disclosed to third parties for this purpose, but signatures, private telephone numbers and e-mail addresses or private addresses will not be visible on our web site, although they will be shown on paper copies that will be sent to the Inspector and available for inspection.

*If an agent is appointed, please complete only the Title, Name and Organisation boxes to the personal details but complete the full contact details of the agent. All correspondence will be sent to the agent.

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Part B – Representation

The North Dorset Local Plan 2011 to 2026 Part 1 and its supporting documents have been published in order for representations to be made prior to submission to the Secretary of State for examination. The purpose of the examination is to consider whether the Local Plan complies with the **legal requirements** and is **'sound'**.

If you are seeking to make a representation on the **way** in which documents have been prepared it is likely that your comments or objections will relate to a matter of **legal compliance**.

If you are seeking to make representations on the **content** of the documents it is likely that your comments or objections relate to the **soundness** of the plans and whether it is justified, effective or consistent with national policy.

Further information on the matter of legal compliance and the issue of soundness can be found in the 'Guidance Notes for Making Representations'.

If you need help completing the response form please see a member of the Planning Policy Team at one of the consultation exhibitions or call 01258 484201.

1. Please select which document you are commenting on:

- North Dorset Local Plan 2011 to 2026 Part 1 (please complete Questions 2 to 9)
- Final Sustainability Appraisal Report (please complete Questions 2 and 10)
- Habitats Regulations Assessment (please complete Questions 2 and 10)

2. Please state the part of that document you are commenting on:

Paragraph number: 5.8, 5.10-5.14	Policy/Site: Policy 6	Policies map:
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3. Do you consider the Local Plan to be legally compliant and prepared in accordance with the Duty to Cooperate, legal and procedural requirements?

Yes

No

4. Do you consider the Local Plan to be 'sound'?

Yes

No

5. If you consider the Local Plan to be unsound please specify your reason(s) by ticking the box(es) that apply below

- It has not been positively prepared
- It is not justified
- It is not effective
- It is not consistent with national policy

6. Please give specific details of why you consider the Local Plan has not been prepared in accordance with the Duty to Co-operate, legal or procedural requirement or why you consider the plan to be **unsound**. Alternatively, if you wish to support any aspects of the plan please also use this box to set out your comments

The duty to co-operate requires the Planning Authority to engage with Stakeholders. It has been selective, engaging only those with land at the Officer's preferred locations. It has published documents for consultation, but not engaged with all those who made substantial representations and indeed members were informed that so far as housing sites at Blandford are concerned, **there were no alternatives**.

The policy is **unsound**, because the Local Planning Authority failed to comply with the requirement of Paragraph 47 of the National Planning Policy Framework, in that the housing land requirement is inconsistent with paragraph 47 to "**boost significantly**" the supply of housing. The Local Planning Authority have failed to use their evidence base to ensure that the Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area. It fails to take into account Paragraph 158 of the Framework, which requires that Local Planning Authorities should ensure that their assessment of the strategies for housing, employment and other uses are integrated and that they take full account of relevant market and economic signals. Paragraph 159 requires the assessment to include household and population projections, taking account of migration and demographic change.

Continued on a separate sheet

7. What change(s) do you consider are necessary to ensure that the Local Plan is legally compliant and **sound**? It would be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Policy 6 to read:-

First Line – "At least 6,000 net additional homes will be provided in North Dorset between 2011 and 2026 at an average annual rate of a minimum of 400 dwellings per annum". OR "At least 8,000 net additional homes will be provided in North Dorset between 2011 and 2031 at a average annual rate of a minimum of 400 dwellings per annum"

In the next line delete "vast".

At (a) Delete "about 960 homes" and insert "1,400 homes." OR "1,860 homes" (if end date 2031)

At (e) Delete "about 380 affordable homes" and insert "490 affordable homes." OR "650" (if end date 2031)

As a consequence of my proposed amendments above, it will also be necessary to increase numbers of dwellings at Gillingham, Shaftesbury, Sturminster Newton or other settlements to secure the overall increase in provision which I have suggested.

Continue on a separate sheet

8. If your representation is seeking a change, do you consider it necessary to participate in the oral part of the examination?



Yes, I would like to participate in the oral examination

9. If you wish to participate in the oral part of the examination please outline why you consider that to be necessary. Please note that the Inspector determines who is heard at the examination.

The evidence of the Local Planning Authority should be tested in the light of the Turley Associates report. Turley Associates would afford the same opportunity to the Local Planning Authority and EIP Inspector.

10. Please outline your comments on the Final Sustainability Appraisal Report or Habitats Regulations Assessment. Comments are not confined to 'soundness' issues, but respondents can express their opinions on the above documents and use it as a reference point on the 'soundness' of the Local Plan.

The original Sustainability Appraisal was flawed, excluding from consideration land South of Blandford St Mary. Note that in the Strategic Housing Land Availability Assessment it states that development of the site was not achievable, which is a nonsense. However I note the same comment was also made about the sites now allocated in the Local Plan.

The further Sustainability Appraisal which included the land at Blandford St Mary is flawed. An independent Transport Assessment has demonstrated that the A354 does not act as a barrier to pedestrian and cycle movements. There is already a crossing of the road which there are **no** recorded accidents. The level of pedestrian and cycle movement from 350 dwellings has been modelled, and indicates that that level crossing would continue to work satisfactorily. In any event the Respondent has made it entirely clear to the Local Planning Authority it would consider providing a footbridge or underpass should that prove necessary. The consultants have also undertaken assessment of an alternative route for the Spetisbury / Charlton Marshall bypass, which at the present time no longer features in the Local Transport Plan proposals. The Highways Agency objection to the allocation of the site was merely a holding objection and was totally flawed. The nearest road under Highway Agency control is the A31, but is remote from Blandford. The levels of development being talked about in the Pre-Submission Plan and in these Representations make an insignificant impact upon the A31.

11. Do you wish to be notified of any of the following? Please tick all that apply. We will contact you using the details you have given above.

- That the Local Plan Part 1 has been submitted for independent examination
- The publication of the recommendations of any person appointed to carry out an independent examination of the Local Plan Part 1
- The adoption of the Local Plan Part 1.

Signature: _____

Date: _____

If submitting the form electronically, no signature is required.

23/01/2014

NORTH DORSET DISTRICT COUNCIL

NORTH DORSET LOCAL PLAN PART 1

PRE-SUBMISSION CONSULTATION 29 NOVEMBER 2013 TO 24 JANUARY 2014

RESPONSE FORM

PART B – REPRESENTATION

6. Continued from Main Form

The respondents have commissioned research by Turley Associates to establish an analysis of the objectively assessed need for housing in North Dorset, in accordance with the Framework. Turley Associates report which is appended to these representations identifies an objectively assessed need for approximately 400 dwellings per annum between 2011 and 2026 (the Plan period). On this basis the requirement of Policy 6 would be increased from 4,200 net additional homes to 6,000 net additional homes between 2011 and 2026.

The Executive Summary states:-

1. This report has been prepared by Turley Associates for and on behalf of Mrs Linley Abbott with additional specialist demographic modelling advice prepared by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in North Dorset in accordance with the National Planning Policy Framework (NPPF).
2. A review of the national policy context and its interpretation by Local Plan Inspectors as well as a detailed examination of the latest datasets which should be used to inform the calculation of the objectively assessed housing needs of an area has been presented within this report. In addition the analysis has presented a series of population and household projections built using the POPGROUP suite of software.
3. A review of the evidence base underpinning the Draft Local Plan indicates that the policy position proposed has not been positively planned and is based on analysis which is noncompliant with the NPPF and subsequently released guidance, including the draft NPPG.
4. In evaluating the projections presented within this report the conclusion is drawn that the latest economic, demographic and housing market indicators demonstrate that the level of housing planned for within the North Dorset Local Plan Pre-Submission Draft, hereafter the Draft Local Plan, is insufficient to meet the objectively assessed housing needs of North Dorset.
5. Examination of updated demographic evidence, in the form of the ONS revised Mid-Year Population Estimates, indicates that North Dorset has seen a higher level of population growth between 2001 and 2011 than previously estimated by the ONS. This has been driven by strong levels of net in-migration into the authority, in particular in the six years prior to 2007/08. This in turn has driven growth in the number of households, with approximately 3,400 additional households recorded over this ten year period. This level of growth is consistent, albeit slightly lower, than the level of growth seen over the preceding ten years from 1991.

6. The analysis indicates that the last five years has seen limited net in-migration translating into a largely static population change, in contrast to this longer-term trend. This is likely to have been influenced by a range of factors, not least the implementation of a constraint policy on housing development as well as significantly more muted economic and housing market conditions linked to the national picture. The authority has seen, over recent years, an ageing of the population with this exacerbated by the impacts of reduced net migration and significant affordability issues.

7. There is recognition within the Draft Local Plan and the supporting evidence base as to the need to ensure a sustainable growth in employment, particularly across the urban centres. Analysis of historic data suggests a relatively buoyant picture of job generation, with the Council's evidence base reinforcing the assumption that this will continue in the future. This is further supported through examination of the latest economic forecasts produced by Experian.

8. It is evident that a continuation of more recent demographic trends, coupled with the effect of the ageing of the population and its impact on the size of the labour-force of the authority will act as a constraint on the future level of the resident labour supply.

9. The modelling demonstrates, however, that a return to the longer-term migration based trend projections would support more strongly a continuation of a limited level of employment growth within the authority. It is recognised that in aligning these two factors, population change and employment levels, that there is a degree of uncertainty with the impacts of recession, i.e. lower full-time employment and slightly higher levels of unemployment, likely to impact in the short-term. This would again support, in the case of North Dorset, that future needs are assessed against a longer-term picture of change and growth.

10. It is evident that the current planned level of housing provision in the Draft Local Plan will not result in significantly boosting the historic rate of development, taking into account this longer-term picture. It is equally apparent that recent completion levels have fallen below historic trends representing an undersupply against the planned level of provision and housing need.

11. The 2011 SHMA highlighted the significant affordability issues facing the authority. Analysis of the latest affordability ratio data published by the DCLG continues to highlight that this challenge has not alleviated, diverging from the national trend and undoubtedly forming a barrier to younger households forming and remaining within the authority. Again this represents a challenge for the creation of balanced communities and in retaining and attracting business and employment investment. The planned lowering of the housing requirement figure from the Structure Plan and SoS Proposed Changes to the RSS will result in a perpetuation of an undersupply position against evidenced need, further increasing the backlog of need for affordable housing and placing ever greater pressure on the private rented market.

12. Consideration of the factors outlined above strongly points to an objectively assessed need for approximately 400 dwellings per annum to be planned for between 2011 and 2026 (the Plan period) in North Dorset. It is evident that the current Draft Local Plan fails to take full account of the latest demographic evidence, the importance of supporting and attracting local employment growth or strong market signals evidence of an increasing imbalance between the supply and demand for housing. It therefore fails to take full accord of the positive planning stance maintained through the NPPF and the stipulated tests of soundness.

With regard to the distribution of the housing requirement, the Local Authority's proposal is also flawed. It overstates the environmental constraints with regard to Blandford and makes a false assumption with regard to commuting. Paragraph 5.21 suggests that there is a need to encourage self containment in order to limit levels of commuting to the South East Dorset conurbation.

However, I would draw attention to table 4.11 in the report by Turley Associates. This clearly demonstrates there is a net inflow of commuters to North Dorset from Bournemouth. There are high levels of out commuting to South Somerset and Wiltshire. This tends to suggest that contrary to what is asserted in Paragraphs 5.20 and 5.21, provision of more housing in Gillingham would lead to higher levels of commuting to South Somerset and to Wiltshire.

As to constraints, Dorset County Council website "Dorset Explorer" identifies that significant areas of land round Gillingham are at risk of flooding. Developing large areas of land South East of Gillingham with housing will exacerbate the risk of flooding other property. It is likely that the water table in that area is very high and it would be difficult, if not impossible, to absorb the storm water rainfall.

Assuming there is no readjustment with regards the spatial distribution of proposed housing, the minimum additional requirement for Blandford is over 400 dwellings.

North Dorset has been treated as being within the Bournemouth / Poole housing market area, but it is true to say that Blandford in particular is at a crossroads, that it is to a degree part of the housing market area of Salisbury and Dorchester. Both are within easy commuting reach of Blandford, accessible by bus. In view of the requirements to meet the objectively assessed needs for the area, it seems to be that the word "about" should be deleted from Figure 5.1. It has been a habit of Local Planning Authorities to interpret "about" as meaning plus or minus 10%. In the context of Paragraph 47 of the Framework, that is not appropriate.

It is naïve to believe that 40% affordable housing can be achieved across Blandford. On the basis of the overall provision of housing is raised by 42% as suggested above, a 35% provision of affordable housing on Greenfield sites would provide more affordable housing than currently set out in Policy 6.

QUESTION 7. Continued from Main Form

If my suggestion with regard to the Plan period is considered appropriate, all of the suggested figures should be increased by 33%. This would for example increase the number of net additional homes to 8,000, the distribution to Blandford to 1860.

QUESTION 10. Continued from Main Form

Development of any open Greenfield site is going to have an impact upon the landscape. Land South of Blandford is however not within an Area of Outstanding Natural Beauty and not within the flood plain of the River Stour. It makes no outstanding landscape contribution, but there is a pleasant clump of trees in the southern part of the site. The respondents have commissioned an initial Landscape Impact Assessment , as well as Transport Assessment and these are appended to these responses.



Final Report

North Dorset Assessment
of the Housing
Requirement

Mrs Linley Abbott

January 2014

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Appendices

Appendix 1: Population and Household Modelling Data Inputs, Methodology and Assumptions

TA reference: MRS2000
LPA reference:
Date of issue: 21 January 2014

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Executive Summary

1. This report has been prepared by Turley Associates for and on behalf of Mrs Linley Abbott with additional specialist demographic modelling advice prepared by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in North Dorset in accordance with the National Planning Policy Framework (NPPF).
2. A review of the national policy context and its interpretation by Local Plan Inspectors as well as a detailed examination of the latest datasets which should be used to inform the calculation of the objectively assessed housing needs of an area has been presented within this report. In addition the analysis has presented a series of population and household projections built using the POPGROUP suite of software.
3. A review of the evidence base underpinning the Draft Local Plan indicates that the policy position proposed has not been positively planned and is based on analysis which is non-compliant with the NPPF and subsequently released guidance, including the draft NPPG.
4. In evaluating the projections presented within this report the conclusion is drawn that the latest economic, demographic and housing market indicators demonstrate that the level of housing planned for within the North Dorset Local Plan Pre-Submission Draft, hereafter the Draft Local Plan, is insufficient to meet the objectively assessed housing needs of North Dorset.
5. Examination of updated demographic evidence, in the form of the ONS revised Mid-Year Population Estimates, indicates that North Dorset has seen a higher level of population growth between 2001 and 2011 than previously estimated by the ONS. This has been driven by strong levels of net in-migration into the authority, in particular in the six years prior to 2007/08. This in turn has driven growth in the number of households, with approximately 3,400 additional households recorded over this ten year period. This level of growth is consistent, albeit slightly lower, than the level of growth seen over the preceding ten years from 1991.
6. The analysis indicates that the last five years has seen limited net in-migration translating into a largely static population change, in contrast to this longer-term trend. This is likely to have been influenced by a range of factors, not least the implementation of a constraint policy on housing development as well as significantly more muted economic and housing market conditions linked to the national picture. The authority has seen, over recent years, an ageing of the population with this exacerbated by the impacts of reduced net migration and significant affordability issues.
7. There is recognition within the Draft Local Plan and the supporting evidence base as to the need to ensure a sustainable growth in employment, particularly across the urban centres. Analysis of historic data suggests a relatively buoyant picture of job generation, with the Council's evidence base reinforcing the assumption that this will continue in the future. This is further supported through examination of the latest economic forecasts produced by Experian.
8. It is evident that a continuation of more recent demographic trends, coupled with the effect of the ageing of the population and its impact on the size of the labour-force of the authority will act as a constraint on the future level of the resident labour supply.
9. The modelling demonstrates, however, that a return to the longer-term migration based trend projections would support more strongly a continuation of a limited level of employment growth within the authority. It is recognised that in aligning these two factors,

- population change and employment levels, that there is a degree of uncertainty with the impacts of recession, i.e. lower full-time employment and slightly higher levels of unemployment, likely to impact in the short-term. This would again support, in the case of North Dorset, that future needs are assessed against a longer-term picture of change and growth.
10. It is evident that the current planned level of housing provision in the Draft Local Plan will not result in significantly boosting the historic rate of development, taking into account this longer-term picture. It is equally apparent that recent completion levels have fallen below historic trends representing an undersupply against the planned level of provision and housing need.
 11. The 2011 SHMA highlighted the significant affordability issues facing the authority. Analysis of the latest affordability ratio data published by the DCLG continues to highlight that this challenge has not alleviated, diverging from the national trend and undoubtedly forming a barrier to younger households forming and remaining within the authority. Again this represents a challenge for the creation of balanced communities and in retaining and attracting business and employment investment. The planned lowering of the housing requirement figure from the Structure Plan and SoS Proposed Changes to the RSS will result in a perpetuation of an undersupply position against evidenced need, further increasing the backlog of need for affordable housing and placing ever greater pressure on the private rented market.
 12. Consideration of the factors outlined above strongly points to an objectively assessed need for approximately 400 dwellings per annum to be planned for between 2011 and 2026 (the Plan period) in North Dorset. It is evident that the current Draft Local Plan fails to take full account of the latest demographic evidence, the importance of supporting and attracting local employment growth or strong market signals evidence of an increasing imbalance between the supply and demand for housing. It therefore fails to take full accord of the positive planning stance maintained through the NPPF and the stipulated tests of soundness.

1 Introduction

- 1.1 This report has been prepared by Turley Associates for and on behalf of Mrs Linley Abbott with additional specialist demographic modelling advice prepared by Edge Analytics. The purpose of this report is to establish an analysis of the objectively assessed need for housing in North Dorset in accordance with the National Planning Policy Framework (NPPF).

Methodology

- 1.2 The last eighteen months has seen the release of a number of important datasets as well as changes in the housing market and economic context. Our approach utilises the most up-to-date and robust data at the time at which modelling is undertaken and is fully compliant in its approach with the NPPF. The approach also takes account of the Draft National Planning Practice Guidance (NPPG) which was published in August 2013.
- 1.3 There is no single, definitive view on the likely level of future housing need expected in North Dorset, with a mix of economic, demographic and national / local policy issues ultimately determining the speed and scale of change. For the purpose of establishing the objective assessment of need it is necessary to evaluate a range of growth alternatives or a range of scenarios.
- 1.4 In providing an objective assessment of need our approach uses the latest population and household projection datasets (produced by the ONS and DCLG respectively) as the basis for developing alternative projections of future housing need. We use the POPGROUP¹ suite of software to provide variant forward looking projections – alongside trend based projections – taking into account potential constraints including levels of employment growth and or specified levels of development.
- 1.5 Population projections delivered using POPGROUP use a standard cohort component methodology (the methodology used by the UK statistical agencies). The household projections use a standard household headship rate as employed by the Communities and Local Government (CLG) for its household projection statistics.
- 1.6 Importantly the modelling approach using the POPGROUP software allows for a sophisticated projection forward of the population by a detailed age breakdown in turn linked to economic activity, headship and commuting rates. This therefore enables a detailed assessment of the changing size of the labour-force within the wider population, an important factor in understanding the implications of the application of various constraints on a demographic trend-based projection. Edge Analytics have set out a more detailed explanation of the POPGROUP software and the application of assumptions in the modelling for this study in Appendix 1.
- 1.7 Following the methodological approach set out within the Draft NPPG we then subject the modelling outputs to a series of 'tests' to establish an appropriate range within which the housing requirement for the authority can be assessed as meeting future needs. This

¹ POPGROUP is a family of software developed to forecast population, households and the labour force for areas and social groups. POPGROUP is used by over 90 local and sub-regional organisations in the UK and has been subject to extensive enhancement and development over the last ten years.

takes into account, for example, a review of market signals and an assessment of the changing balance between forecast employment growth and the projected changing size of the labour-force under each scenario.

- 1.8 The team at Turley Associates / Edge Analytics have applied this approach on behalf of a significant number of local authorities and private sector clients across England. Our modelling work has been used in both Local Plan Examinations and Local Planning Inquiries over the last twelve months.

Report Structure

- 1.9 The report is structured as follows:

- **Section 2: The Objective Assessment of Need - Guidance and Interpretation.** A detailed review of the relevant NPPF policies is included alongside a summary of the supporting interpretation of the methodology to be used in the objective assessment of need within the Draft NPPG. In order to explore in more detail the interpretation of the NPPF by Inspectors' the section also includes an overview of significant recommendations through recent reports from EIPs;
- **Section 3: The North Dorset Local Plan – Informing Evidence.** A short summary of the policy position set out within the Draft Local Plan is included alongside a short review and critique of the evidence base cited within the latest iteration of the Draft Local Plan;
- **Section 4: Understanding Historical and Future Drivers of Population / Household Change.** Analysis of a range of drivers which have and will continue to influence future needs for housing within the authority.
- **Section 5: North Dorset Population and Household Projections.** The outputs of the population and household projection modelling by Edge Analytics is presented;
- **Section 6: Market Signals.** Review of the relevant market signals identified within the NPPG which form an important factor in suggesting the requirement for adjustment to the need identified through modelled demographic projections.
- **Section 7: Conclusion – An Objective Assessment of Need for North Dorset.** The analysis in the preceding chapters is brought together through an evaluative framework in order to define the recommended appropriate local housing requirement for the authority. This is set in the context of the current provision within the Draft Local Plan.

2 The Objective Assessment of Need - Guidance and Interpretation

- 2.1 The changing policy context, its interpretation both through examination and appeal processes and the publication of new and emerging guidance represents an important point of consideration in the preparation of informing evidence from which to identify an appropriate objectively assessed need for housing.
- 2.2 Prior to considering the policy framework it is important to consider in high level terms the Government's wider strategic aspirations in relation to housing and the economy.

Addressing the 'housing crisis'

- 2.3 Planning to meet housing need and demand is central to the Government's national growth agenda as a response to the continued increase in the UK's population, sustained affordability challenges and as an economic stimulus to assist in maintaining a return to economic growth.
- 2.4 This is illustrated for example recently by the Commons Communities & Local Government Select Committee which were tasked with looking at the measures needed to tackle what they call the country's "housing crisis". They concluded:

*"There is no one 'silver bullet' with which the housing deficit can be removed. Many of the measures in the Government's housing strategy will provide a welcome boost in the short to medium term. However, further action and a longer term approach will be needed if we are to see a sustainable change in housing supply. The country has not come close to delivering the number of homes it needs for many years, and this has been exacerbated by the recent financial crisis."*² (p.3)

- 2.5 The importance of stimulating an increase in the supply of housing is not just a post-recession credit crunch priority. The publication of the 2004 Barker Review³ brought the issue into clear focus and provided an important informing component of the previous Government's 2007 Housing Green Paper⁴. The Green Paper set a clear target for delivering 240,000 homes a year by 2016, therefore delivering a total of 2 million new homes by 2016 and 3 million new homes by 2020. Examining the latest CLG house building statistics⁵ on average between 2008-09 and 2012-2013 only 119,000 dwellings have been completed per annum in England. This clearly represents a significant undersupply against the targets set by the previous Government.
- 2.6 In November 2011 'Laying the Foundations: A Housing Strategy for England' was published by the current Government. The Strategy acknowledged the evidence, in the form of the then latest official government household projections, released in 2010, that demand for housing driven by household growth was set to continue (these forecasts anticipated average household formation running at an average of 232,000 a year in

² House of Commons Communities and Local Government Committee (May 2012). Financing of New Housing Supply, HC 1652.

³ Kate Barker (March 2004). Barker Review of Housing Supply.

⁴ CLG (July 2007). Homes for the Future: More Affordable, More Sustainable.

⁵ CLG (accessed 25/07/13). Table 209 - House Building: Permanent Dwellings Completed, by Tenure and Country.

England from 2008 to 2033⁶). The foreword of the Strategy clearly set out the Prime Minister and Deputy Prime Minister's acknowledgement of the long-term failure of Governments to build enough housing to meet growing need:

"One of the most important things each generation can do for the next is to build high quality homes that will stand the test of time. But for decades in Britain we have under-built. By the time we came to office, house building rates had reached lows not seen in peace-time since the 1920s. The economic and social consequences of this failure have affected millions: costing jobs; forcing growing families to live in cramped conditions; leaving young people without much hope that they will ever own a home of their own." (Laying the Foundations, November 2011)

- 2.7 More recently in the March 2013 Budget (20th March 2013), the Chancellor of the Exchequer, Right Hon George Osborne MP provided a further clear signal of the Government's intention to stimulate housing delivery and meet demand. The Budget Report⁷ stated at paragraph 1.100:

"Budget 2013 therefore announces Help to Buy, a package of measures that will increase the supply of low-deposit mortgages for credit-worthy households, increase the supply of new housing and contribute to economic growth."

- 2.8 The Budget Report continues at paragraph 1.107:

"The Government wants to ensure that there is a long-term supply of housing that is better matched to demand."

- 2.9 The Government also published in June 2013 the document 'Investing in Britain's future' which is intended to provide a strategic, long-term plan for the UK to improve its key infrastructure. Housing is recognised as an integral part of the UK's economic and social infrastructure with a number of aims and commitments set out based on the recognition that:

"A well-functioning housing market is critical in supporting growth and competitiveness. People need homes that are affordable and within travelling distance of jobs and amenities. The economy needs a housing market that is stable, secure and which supports labour market flexibility." (Investing in Britain's future, para. 6.1, June 2013)

- 2.10 Alongside the wider economic growth proposals and funding packages the Government has also seen the reform of the planning system as an important assistance to the increased supply of housing. This is considered in more detail in this section.

⁶ Cited in PWC & L&Q (2012). The Numbers Game: Increased Housing Supply and Funding in Hard Times.

⁷ HM Treasury (March 2013). Budget Report.

The National Planning Policy Framework

- 2.11 An important implication of the revocation of the regional tier of planning is that the responsibility for establishing housing requirements for Local Plans now falls with individual local authorities.
- 2.12 Looking specifically at the Framework in relation to the steer it sets for preparing this evidence, firstly it is important to recognise that the NPPF is built around a policy commitment to the achievement of sustainable development. At the heart of the NPPF is a *"presumption in favour of sustainable development"*, which requires local authorities in the development of their Local Plans to adopt a positive approach in order to *"seek opportunities to meet the development needs of an area"* (CLG, 2012, para 14 first bullet).
- 2.13 Further clarification is provided through the core planning principles set out at Paragraph 17 of the Framework. Importantly, this includes the following requirement that planning should:
- "Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities."* (CLG, 2012, para 17, 3rd bullet)
- 2.14 With regards housing, the Framework states (Paragraph 47) that in order to boost significantly the supply of housing, local planning authorities should:
- "Use their evidence base to ensure that their Local Plan meets 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."* (CLG, 2012, para 47 bullet point 1)
- 2.15 The Framework provides further guidance on the use of a 'proportionate evidence base'. At paragraph 158 it states 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 of 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."* (CLG, 2012, para 158)
- 2.16 Further guidance as to the informing data and drivers that should be considered in establishing this estimate of the objectively assessed need facing the authority for housing is set out within paragraph 159 of the NPPF:

"Local planning authorities should have a clear understanding of housing needs in their area. They should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment 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 which:*
- Meets household and population projections, taking account of migration and demographic change;*
- Addresses the need for all types of housing, including affordable housing and the needs of different groups...; and*
- Caters for housing demand and the scale of housing supply necessary to meet this demand." (CLG, 2012, para 159)*

Guidance for assessing objectively assessed needs

2.17 On the 28th August 2013 the CLG released a full set of new National Planning Practice Guidance (NPPG) notes in response to the Taylor Review in draft form. These are, at the time of writing, subject to a period of consultation prior to being formally published early in 2014. Of particular relevance to the calculation of the objectively assessed needs of an area is the publication of the guidance note titled 'Assessment of Housing and Economic Development Needs'. It is our understanding that this is intended, following formal publication, to replace the current SHMA Guidance 'Strategic Housing Market Assessments - Practice Guidance' which was published in August 2007.

2.18 With regards the calculation of need the NPPG states:

"The use of this standard methodology is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance." (CLG, 2013, D 2a-005-130729⁸)

2.19 The NPPG identifies that the household projections published by the CLG should provide the starting point for the estimate of overall housing need, but notes that the current interim dataset has a time horizon of 2021. Importantly the NPPG states:

"However, plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates."

⁸ CLG (August 2013). Assessment of Housing and Economic Development Needs.

- 2.20 Recognising the importance of taking account of other long-term drivers of the housing market in understanding future projections of need the NPPG stresses the importance of taking employment trends into account:

"Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area... Where the supply of working age population (labour force supply) is less than the projected job growth, this will result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider increasing their housing numbers to address these problems."

- 2.21 In addition to economic factors the NPPG also recognises the importance of taking into account market signals:

"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings."

- 2.22 In advance of the publication of updated Guidance following the Taylor Review the Planning Advisory Service/Local Government Association published a guide to assist local authorities in assessing their objectively assessed needs and translating these into policy (July 2013). This reinforces a number of important principles in terms of the interpretation of the NPPF. These are summarised in the following paragraphs:

"Corroboration, consistency and integration will ensure a joined up strategy and be more likely to deliver a good and sound plan. For example consideration of the long term demographic and economic led projections may reveal that they are producing a similar level of housing requirement. If this will ensure you meet your objective of achieving x jobs over the plan period as well as addressing the high level of affordable need that exists, then there is a consistent set of evidence which integrates your strategy together and can be justified.

Conversely it is inappropriate and perverse for a strategy which seeks to increase jobs across the district to be accompanied by a low level of housing based on demographic projections with low migration trends. This is because the ambition for new jobs is only likely to be achieved by the in-migration of economically active people. Likewise a corporate strategy which seeks to address the high affordable housing need is unlikely to be delivered by a very low level of housing provision."
(pg. 10, 2013⁹)

- 2.23 The above synopsis of the latest policy guidance provides an important context against which to assess the compliance of any evidence prepared with the intention of informing a statutory Local Plan under the new planning policy framework. This forms an important context for considering the analysis in the following sections.

⁹ PAS/LGA (July 2013). Ten Key Principles for Owning Your Housing Number - Finding Your Objectively Assessed Needs.

Inspectors' interpretation of NPPF guidance

- 2.24 It is now approaching two years since the publication of the NPPF and the establishment of housing requirements through Local Plans has received an increasing amount of attention as they are submitted for Examination under the new framework. The following provides a summary of the key points which have emerged from a number of Local Plan/Core Strategy Examination hearings, drawing in particular from the Local Inspector reports. This provides further clarification as to how the new planning framework is being interpreted and the areas against which policy and evidence is being found unsound.
- 2.25 The points made through the various Inspector's reports are structured in line with various methodological and policy issues.

Objectively Assessed Needs - Assessing the 'Full needs'

- 2.26 In the lead up to, and following, the formal revocation of the Regional Plans it is evident that Inspectors have placed a significant emphasis on the responsibility of authorities to evidence the "full, objectively assessed needs for market and affordable housing". This was highlighted with regards the Hart District Local Plan Examination where the Inspector stated:

"Put simply, for a local plan to be considered sound in terms of overall housing provision it is first of all necessary to have identified the full, objectively assessed needs for housing in the HMA. Having done this it is necessary, working collaboratively and through co-operation with other authorities where appropriate, to seek to meet these needs in full and to demonstrate how they will be met or alternatively to provide robust evidence that they can't." (The Planning Inspectorate, 2013¹⁰)

- 2.27 The Inspector examining the Waverley Core Strategy concluded following the initial hearing that the Plan was likely to be found unsound on the basis of its reliance on an "out-of-date" SHMA (2009) and the retention of the SEP housing figure. He suggested that updated evidence was required to comply with paragraph 47, stating:

"Such an assessment should properly be undertaken within the context of a SHMA, the preparation of which is itself a requirement of the Framework (paragraph 159). This requires a more considered assessment of housing needs than a simple reliance on demographic and household data and, importantly, requires such consideration to take place within the context of the housing market area. As I explained at the hearing, an evidence base that solely refers to demographic and other changes within Waverley Borough, without consideration of the market area as a whole, is unlikely to be sufficient. For these reasons, I can give little weight to the housing needs figure that you quoted at the hearing." (The Planning Inspectorate, 2013¹¹)

- 2.28 The North Somerset Core Strategy provides another useful point of reference for understanding the assessment of objectively assessed needs in line with the NPPF. In

¹⁰ Paragraph 20, Inspector's Letter. Hart District Local Plan (Core Strategy) Examination, 26th July 2013.

¹¹ Paragraph 12. Waverley Core Strategy Examination Inspector's Preliminary Conclusions, 13th June 2013.

April 2012 the Council adopted its Core Strategy which included a housing requirement for 14,000 dwellings, considerably fewer than the former Regional Spatial Strategy (RSS) target of 26,750. Part of the evidenced rationale for the identification of this revised level of need was a focus on considering the implication of locally generated needs linked to employment uses and a move away from historic trend based projections of growth which factored in sustained movements of people from Bristol in particular. A legal challenge by Bristol University in 2013 resulted in the scale of new housing policy being found unlawful. The Approved Judgement stated:

"The Inspector gave clear reasons for rejecting the 26,750 new homes figure in the RSS and concluding that there should be a fresh appraisal of housing need. He also had regard to the advice in PPS3 as to the use of up to date ONS household forecasts and explained why he declined to follow that advice. However, in his appraisal of the Council's housing requirement figure of 14,000 he failed to give adequate or intelligible reasons for his conclusion that the figure made sufficient allowance for latent demand i.e. demand unrelated to the creation of new jobs." (Approved Judgement letter, 2013¹²)

- 2.29 The importance of having an up-to-date SHMA to inform the Objective Assessment of Need was highlighted through the recent Inspector's response to Rochdale Borough Council's Core Strategy following the hearing sessions of the EIP. He suggested based on concerns regarding the evidencing of need:

"An update of the SHMA within the context of the national data sets and evidence discussed during the Hearing sessions would address a significant shortcoming in the evidence base. This, along with steps to deal with the previous under-provision of housing in the Borough, would provide a basis for me to properly consider whether the CS meets objectively assessed housing need." (2013¹³)

Factoring in Constraints

- 2.30 The Rother Local Plan referenced above proposed a reduction in the housing requirement of "between 77% and 85% of the SEP requirement" (Rother District Council, 2012¹⁴). The Inspector concluded that the reasons for this proposed reduction were unsound. Overall, the Inspector concluded on the point that:

"There is no suggestion within the Framework that the level of 'need' should be reduced having regard to identified constraints or policy assumptions, which appears to be the methodology underpinning the 'Assessment of Housing Need' May 2012." (Rother District Council, 2012¹⁵)

- 2.31 This was further reinforced by a further letter from the Inspector in April 2013 which stated:

¹² Paragraph 133, Approved Judgement. University of Bristol vs North Somerset Council, Case No: CO/5253/2012, 14th February 2013.

¹³ Letter from Mr Clive Sproule (Inspector) to Rochdale Borough Council on the Rochdale Core Strategy – Public Examination, 19/12/2013

¹⁴ Paragraph 3. Inspector's Report Rother District Council Local Plan (2011-2028) Strategy Examination, 13th December 2012.

¹⁵ Ibid Page 3, 3rd paragraph.

"I also wish to emphasise the point that the independent assessment of need should be made without regard to the District/Borough's capacity to meet it. If convincing arguments can be made for why the assessed need cannot be met, that triggers the requirement to seek help from other authorities in accordance with the duty to co-operate. Capacity constraints cannot be used as a reason to reduce the independently assessed need." (2012¹⁶)

- 2.32 This was also reinforced in the observations of Pelling J. in *Hunston Properties Ltd vs Secretary of State for Communities and Local Government & St Albans and District Council EWHC 2678 (Admin)*:

*"I do not see how a constraints adjusted figure arrived at having regard to the policy requirements as they applied at the time when the EEP [East of England Plan] took effect can be said to lead to the same conclusion applying the first bullet point in Paragraph 47 when that paragraph is read as a whole. The wording of the first bullet point emphasises what is emphasised elsewhere in the NPPF, namely that the NPPF creates a presumption in favour of sustainable development. Finally the suggestion that the words "...in so far as is consistent with the policies set out in this Framework ..." requires or permits a decision maker to adopt an old RSS figure is unsustainable as a matter of language. That language requires that the decision maker considers each application or appeal on its merits. Having identified the full objectively assessed needs figure the decision maker must then consider the impact of the other policies set out in the NPPF." (Pelling J. in *Hunston v SOSCLG & St Albans 2013 EWHC 2678 (Admin)*, paragraph 29, 2013)*

The Link Between Housing Provision and Economic Growth

- 2.33 The Inspector considering the South Worcestershire Plan released a set of interim comments on the Stage 1 matters which provided a very detailed consideration of the evidencing of the objective assessment of need. In considering the overall approach adopted in the SHMA the Inspector noted:

"the SHMA's underlying methodology, which involves modelling a trend-based demographic growth scenario and then modifying it to take account of additional in-migration resulting from forecast employment growth, is essentially sound. The inclusion of an assessment of job-related in-migration is particularly necessary in South Worcestershire in view of the well-documented relative ageing of the population over the Plan period." (2013¹⁷)

- 2.34 The direct use of the Interim 2011 base Sub National Household Projections was also raised as concern on the basis that they are likely to reflect recessionary issues and not adequately present an appropriate assessment of need over the full plan period:

"It seems very likely that the 2011-based projections are, at least in part, reflecting the fact that household formation, especially among the 25-44 age-groups, has

¹⁶ Paragraph 3. Inspector's letter Rother District Council Local Plan (2011-2028) Strategy Examination, 12th April 2012.

¹⁷ Paragraph 42, Inspector's conclusions on the Stage 1 Matters, South Worcestershire Development Plan, October 2013

been suppressed in the years since the global financial crisis of 2008 by a combination of reduced supply and lower effective demand." (2013¹⁸)

- 2.35 Finally the Inspector highlighted the issue related to accurately assessing economic growth as part of informing the assessment of need stating:

"I am concerned that the Experian forecasts on which NLP rely lie at the upper end of the range of employment forecasts provided to the examination. Indeed it is notable that the three Experian forecasts – from 2011, 2012 and 2013¹¹ – gave annual average job increases ranging widely from just under 500 to just under 700¹². These compare with the figures of about 450 jobs per annum from the 2011 Oxford Economics forecasts¹³, and about 250 per annum from the 2009 CE forecasts." (2013¹⁹)

- 2.36 The Inspector suggested in updating the analysis of the objective assessment of need that the Council needed to satisfy themselves that they had an up-to-date and realistic employment forecast.

- 2.37 The importance of aligning policies built around an objective assessment of need and economic growth was also stressed by the Inspector considering the Aylesbury Vale Local Plan. The Local Plan sought to make provision for at least 6,000 new jobs in addition to those on committed sites, in considering the appropriate level of supporting housing the Inspector's report stated:

"The Council's evidence indicates that significantly more housing than that planned would be required to support this level of jobs growth. There is no substantive evidence that the jobs density or patterns of out-commuting are likely to change to the extent required to support the planned level of employment growth without the need for significantly more housing. In simple terms there is a clear and substantial mismatch between the level of housing and jobs planned." (2014²⁰)

- 2.38 This assessment of the link between these two factors highlights the importance of considering both demographic and business/employment drivers in the shaping of aligned policies. The reference to the ageing of the population also highlights an issue which often arises in the balancing of the two with the general ageing of the UK's population requiring a considered policy response if other ambitions to encourage investment and employment growth are to be realised.

- 2.39 The Framework identifies the need to balance growth and demand with an appreciation of sustainability and potential constraints on the availability of land linked to, for example, environmental factors. The separation of the objectively assessed need from this capacity factor was clearly referenced by the Inspector considering the Waverley Core Strategy:

"I would expect your Council to take a positive approach to providing the scale and mix of housing identified in any updated housing needs assessment – consistent with other policies of the National Planning Policy Framework. In the latter context, I do not under-estimate the significance of the Borough's environmental assets and

¹⁸ Paragraph 29, Inspector's conclusions on the Stage 1 Matters, South Worcestershire Development Plan, October 2013

¹⁹ Paragraph 34, Inspector's conclusions on the Stage 1 Matters, South Worcestershire Development Plan, October 2013

²⁰ Paragraph 37, Inspector's Report Examination of the Aylesbury Vale Plan Strategy. 7th January 2014.

designations. However, any failure to meet the full, objectively assessed housing needs as a result of constraints arising from these designations would have to be clearly and specifically justified in the terms of the Framework's policies. As discussed in the hearing, and contrary to the views of some representors, these policies do not set out 'blanket bans' on housing development: they should however be read carefully and within the context of the Framework as a whole." (The Planning Inspectorate, 2013²¹)

Market Signals, Affordable Housing Need and Balancing Aspirational Targets with Realistic Targets

- 2.40 Finally, one of the other areas considered by Inspectors as having a bearing on their assessment of the setting of alternative locally evidenced housing requirements relates to 'market signals' and in particular the need for 'affordable housing' and the identification of a backlog of need. This was an issue again referenced within the Inspector's report on the East Hampshire Local Plan. In considering the evidence presented within the Council's 'Housing Needs Assessment Update 2012', which identified a shortfall of affordable housing at around 439 dpa each year, he concluded:

"In my view, the undisputed and urgent need for affordable housing in the district weighs heavily in favour of increased levels of housing provision." (East Hampshire District Council, 2012²²)

- 2.41 In considering the Lichfield Plan the Inspector in his note to the Council stated that he found the Plan to be not justified, and hence unsound, as a result of the housing provision figure falling below the level of objectively assessed need in its own evidence base. The Local Plan proposed provision of 435 dpa which fell within the range of objectively assessed need provided through the Housing Needs Study taking account of a range of factors. The Inspector expressed concern, however, that the level of provision to meet the authorities own needs were actually 385 dpa with 1,000 units identified to meet the needs of Cannock Chase and Tamworth.

- 2.42 The Inspector agreed with the objective assessment of need and felt a figure of 430 dpa was appropriate for the authority and recommended that the overall provision be raised by 900 dwellings over the plan period to reflect this. In arriving at this decision the Inspector gave significant consideration to viewpoints which suggested both lower and higher figures. In arriving at his recommendation he noted with regards the figure of 430 dpa, highlighting in particular that it suggested an uplift to take account of an improvement in economic growth:

"This figure is soundly based in that it takes on board the most recent household representation rates referred to above [Interim 2011 SNHP] but is also aspirational in that for the later years of the Plan those rates will rise as the economy improves." (Inspector's Note to Lichfield Council, 2013²³)

²¹ Paragraph 17. Waverley Core Strategy Examination Inspector's Preliminary Conclusions, 13th June 2013.

²² Ibid Paragraph 10.

²³ Paragraph 37. Inspectors Note: Lichfield District Council Local Plan: Strategy Examination, 3rd September 2013.

- 2.43 At the EIP a number of participants argued for the inclusion of a higher level of housing growth in line with the upper end of the range presented within the Housing Needs Study, with this related to a forecast jobs growth scenario (601 dpa). The Inspector highlighted issues of likely delivery when considering the application of this figure to reflect needs and a 'realistic' requirement:

"While such a figure would have the advantage of providing more affordable housing, for which there is an unquestioned need, there is insufficient evidence to indicate that such a high annual rate of housing could actually be delivered over the plan period.

While 601 dpa has been achieved on three occasions over the last 11 years and while the housing trajectory on the Plan anticipates figures in excess of this at times during the life of the Plan, it remains the case that achieving such a figure consistently over the plan period would require something in the order of a 40% increase in average net annual completions.

I do not consider a figure of over 600 dpa to be provided consistently over the entire 20 year period of the Plan would be deliverable when this has not in the past been consistently achieved even during the boom years of construction. It would be well in excess of the long term average net annual completion rate. Plans are expected to be aspirational but they are also expected to be realistic. I do not consider such a high figure would be realistic." (Inspector's Note to Lichfield Council, 2013²⁴)

- 2.44 The summation of the key points raised by Inspectors through their assessment of submitted Local Plans/Core Strategies highlights relatively rigid but equally in some cases slightly contradictory interpretation of the Framework being applied and the importance of the assembled evidence base being relied on.
- 2.45 The implications of this for considering the evidence base underpinning the setting of Local Plan policy is considered below.

Evidencing the objectively assessed need for housing

- 2.46 The outputs of the above interpretation of policy and Inspectors' application of the new Framework indicates that any approach to evidencing the objectively assessed need for housing needs to consider the following:
- Reference the latest Sub-National Population Projection (ONS) and Sub-National Household Projection (CLG) datasets and provide a clear evidenced rationale for any improvement/correction of the levels of change projected from these datasets. The integration of local data or more up-to-date information needs to be robustly integrated into any projection methodology to demonstrate consistency with the approach taken by these 'official' statistics. This needs to take account of fertility and mortality assumptions, migration (internal and international) and headship rates.
 - In line with the NPPG clearly evidence the alignment between Local Plan policies around employment and economic growth and the capacity of the planned level of

²⁴ Paragraphs 34-36. Inspectors Note: Lichfield District Council Local Plan: Strategy Examination, 3rd September 2013.

housing to facilitate the achievement of these aims. The NPPG suggests that the interlinking of these factors is of considerable importance, the retention of this aspect in the final adopted version is likely to further reinforce the application of this issue.

- Provide an understanding of the implications of strategic housing market linkages with particular reference to the functional housing market area as identified in the NPPG. This has a bearing in relation to evidencing a duty to co-operate and any potential future requirement to agree the meeting of housing need beyond the authority boundary.
 - Provide evidence of a considered assessment of market signals. This includes recognition of the scale of the need for affordable housing and the impact of backlog of need related to an undersupply of housing. An up-to-date Strategic Housing Market Assessment represents an important location for these areas of analysis to be aligned.
- 2.47 Building on the above it is evident that in order to arrive at an objectively assessed and justified housing requirement (in accordance with the Framework) it is vital that the Local Planning Authority can evidence that they have assessed an appropriate range of scenarios which factor in the considerations noted above. In evaluating the range of potential housing demand scenarios it is important that the authority also understands the implications of alternative levels of growth and then in the translation into policy is able to justify the figure selected as being able to be sustainably accommodated.
- 2.48 Where an authority identifies that the full objectively assessed need for housing cannot be accommodated sustainably within its own planning area the Framework requires that the authority co-operate with other authorities with housing market linkages to arrive at a position where the residual can be accommodated.

3 The North Dorset Local Plan – Informing Evidence

Overview

- 3.1 Prior to the revocation of the RS and the introduction of the NPPF the Council was in the process of preparing a core strategy, which included a suite of development management policies.
- 3.2 In October 2012, the Council consulted on the approach to revising the draft core strategy into a 'new style' local plan.
- 3.3 The authority is consulting on the resulting Pre-Submission draft of the Local Plan in January 2014.

North Dorset Local Plan Pre-Submission Draft

- 3.4 The Draft Local Plan includes within its revision a recognition of the importance of accommodating housing growth and supporting the local economy. The following components of the Vision are replicated below relating to these elements:
 - *have more housing, and in particular more affordable housing, that better meets the diverse needs of the District; and*
 - *have a more robust and prosperous economy (including sustainable tourism) with high quality jobs and skills, focused in locations that best support the District's growing population.*
- 3.5 The Draft Local Plan sets out under Policy 6: Housing Provision that:

"At least 4,200 net additional homes will be provided in North Dorset between 2011 and 2026 at an average annual rate of about 280 dwellings per annum. The vast majority of housing growth will be concentrated at the District's four main towns of Blandford (Forum and St. Mary), Gillingham, Shaftesbury and Sturminster Newton."
(Pg 88)
- 3.6 In justifying the policy provision for housing within the Pre-Submission Draft of the Local Plan the Council reference the following evidence base documents in particular:
 - The Bournemouth and Poole Strategic Housing Market Assessment, including the Housing Need and Demand Survey for North Dorset, Fordham Associates (June 2008)
 - The Bournemouth / Poole Housing Market Area 2011 Strategic Housing Market Assessment Update, JG Consulting in association with Chris Broughton Associates (January 2012)
- 3.7 Greater weight is given to the more recent SHMA Update conclusions which appear to form the single point of reference for the chosen policy target as explained in the Draft Local Plan:

"In the light of the reforms of the planning system and the economic downturn, the original SHMA was updated in 2012. In relation to North Dorset, the updated SHMA states that 'trend-based data suggests household growth of around 273 per annum for the period from 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)." (pg 84)

- 3.8 This position is also endorsed within the North Dorset Duty to Co-Operate Statement, which states:

"The 2012 SHMA Update examined future housing needs and provides the basis for the District-wide housing provision figure used in Policy 6 of the Draft Local Plan Part 1. The 2012 SHMA Update has also been used to inform local plans produced elsewhere in the Dorset sub-region." (pg 29)

- 3.9 In addition the Duty to Co-Operate Statement (2013) states:

"Since the Local Plan Part 1 makes adequate provision for the identified need for housing in North Dorset, the Council does not need to look outside its administrative boundary to make further provision." (pg 41)

- 3.10 It is important to recognise that the scope of the evidence base closely mirrors that of the Weymouth / West Dorset Local Plan. The Inspector considering this plan has recently responded to the Council's expressing concerns around the validity and scope of this evidence base in light of the NPPF and has sought an exploratory meeting. The Inspector noted in particular:

"Despite work to update the original Strategic Housing Market Assessment (SHMA) it is essentially out-of-date. The original study was undertaken when the approach to housing needs was different and when the emerging Regional Strategy (RS) provided the basis for determining the growth in each district." (Paragraph 2.4 of the Inspector's Letter dated the 10th December 2013)

- 3.11 This would suggest that the North Dorset suite of evidence should be viewed in a comparable manner highlighting the need for more up-to-date NPPF compliant analysis. This is an issue highlighted in further detail within this section through the review of the evidence base.

The Draft Local Plan Evidence Base

The Bournemouth / Poole Housing Market Area 2011 SHMA Update

- 3.12 The 2011 SHMA represents a full update to the 2008 study undertaken by Fordham Research which covered the whole of Dorset and included individual local Council reports²⁵.
- 3.13 The analysis of the Future Housing Market within the SHMA firstly considered the complexity of the housing market identifying the importance of demographic and

²⁵ 'The Bournemouth and Poole Strategic Housing Market Assessment', Fordham Research, June 2008

economic drivers in understanding longer-term needs. It is noted within the SHMA that the housing market:

"is also influenced by the economy at the local and sub-regional level, recognising that changes in employment will influence future migration patterns as people move to and from the area to access jobs, and that the nature of employment growth and labour demand will influence changes in earnings which in turn influences affordability." (2012, para. 7.4)

- 3.14 The timing of the research in the midst of a period of economic recession was recognised within the SHMA with the conclusion reached that:

"Overall, supply is constrained in the rented sectors, and demand is constrained in the purchase market – and we thus have a dysfunctional housing market.

Planning for new housing should be based however on aggregate need and demand for homes and must to some extent look beyond these short-term factors. It terms of aggregate need/demand for housing, locally-generated demand is there (if constrained), and consideration should be given to the extent to which economic growth can drive housing growth in the HMA over the longer-term. There is some latent capacity of the labour force in the short-term (associated with higher unemployment and a fall in employment), but economic performance can be expected to become an increasing important driver over time." (2012, paras 7.32 - 7.33)

- 3.15 The 2011 SHMA presents a number of scenarios of projected household growth using the 'Housing Market Model'. It is noted that as part of the research the consultants were provided with a series of population and household projections by the County Council, which were run using POPGROUP (the same software used to model the scenarios presented in this report).

- 3.16 The description of the scenarios suggests that the analysis is primarily driven from the ONS published 2008 base SNPP and the DCLG published 2008 base SNHP datasets (para 7.60). In order to provide a more up-to-date analysis the projections were re-based to a mid-2011 start point using Council Tax data for each authority. Significantly, the scenarios considered were limited to demographic trend-based projections with the SHMA report noting:

"Consideration was also given to developing projections related to economic growth; this was however not pursued as part of the SHMA given the current uncertainty on the state of the economy which made it difficult to agree realistic assumptions." (2012, para. 7.62)

- 3.17 This methodological decision appears to fail to reflect the important role of the economy in influencing migration trends over the plan-period as evidenced in the extracts cited above. Importantly the 2011 SHMA also highlights one of the significant implications of planning for the accommodation of new populations on the basis of trend based projections:

"As well as showing an ageing population the projections clearly identify that if current trends continue then the number of people in key working age bands (i.e. those aged 16 – 64) is likely to decline. This does identify a risk in that the Bournemouth/Poole HMA may face a labour shortage which is likely to act as a barrier to economic growth in the HMA and more widely across Dorset". (2012, para. 7.78)

- 3.18 In considering the identification of a preferred scenario the research selected the scenario built using 2008 base ONS / DCLG projections to a 2011 base. The use of a scenario built on more recent migration data was rejected on the basis that:

"Closer inspection of the assumptions suggested that the results for North Dorset and Weymouth and Portland had been caused by short-term fluctuations in migration patterns which may have been impacted by the economic downturn and would not necessarily be considered to reflect a likely longer-term trend...The 2008-based trends would have missed out on the impact of the economic downturn and it was felt therefore that these would potentially be a better basis for longer-term projections to 2031." (2012, para 7.67)

- 3.19 The final scenario household growth projections are shown in the following table which is replicated (figure 7.6) from the 2011 SHMA.

Figure 3.1: Projected Household change in the HMA (2011 – 2031)

Area	Households (2011)	Households (2031)	Absolute change	% change from 2011	Annual average change
Bournemouth	81,795	92,015	10,220	12.5%	511
Christchurch	21,920	26,291	4,371	19.9%	219
East Dorset	37,943	44,657	6,714	17.7%	336
North Dorset	28,823	34,289	5,466	19.0%	273
Poole	64,010	73,355	9,345	14.6%	467
Purbeck	19,972	23,368	3,396	17.0%	170
HMA	254,463	293,975	39,512	15.5%	1,976

Source: 2011 SHMA Update, JG Consulting, Replicated Figure 7.6

- 3.20 The household growth projection, including a recommended allowance for vacancy of between 2 – 3%, has been used, as identified above, to inform the level of provision stipulated under Policy 6 of the Draft Local Plan.
- 3.21 The conclusion of the SHMA provides advice at paragraph 9.7 to the authorities in the HMA in the development of policy which recognises the need to consider both demographic and economic factors:

"It is expected that population and demographic dynamics as well as change in the labour market will drive demand for housing over the longer-term to 2031. Planning policies should be developed to respond to these long-term drivers." (para 9.7)

- 3.22 It is evident that whilst the SHMA references the importance of linking these two important drivers of the housing market the modelling and the derived conclusions do not fully consider this issue or its implications. This represents a 'gap' in the evidence base in the context of the NPPF and the NPPG.
- 3.23 In addition to taking into account of demographic and economic factors the NPPF and the NPPG both highlight the importance of recognising the need for affordable housing in an area in establishing the objective assessment of need. The SHMA provides the most recent calculation of the scale of affordable housing need and evidenced the significant affordability challenges facing the housing market area and within this North Dorset. A total net annual need of 387 affordable units was identified. The analysis indicated that the challenge had decreased slightly with regards the annual level of net need from the 2008 SHMA in North Dorset but increased across the HMA geography by around 46%.
- 3.24 This level of affordable housing need is significant and must be given weight in the decision-making process for arriving at a full objective assessment of need in the authority. The SHMA does not seek to relate this high need for affordable housing to the wider identification of future levels of household formation which represents a 'gap' with regards to the production of an NPPF compliant evidence base. This aspect is considered in more detail within the analysis presented in section 7.

The Bournemouth and Poole SHMA, 2008

- 3.25 The Bournemouth and Poole SHMA was prepared in 2008 by Fordham Research, and identified core and periphery areas within the Bournemouth and Poole housing market. Beyond this, the North West Dorset housing market area covers parts of North and West Dorset. This covers the towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge, while the southern part of the District – including Blandford – lie within the Bournemouth and Poole periphery area.
- 3.26 The SHMA identified that the housing market area is characterised by an ageing population, particularly in the urban periphery areas, stating that:

*"The population of the HMA is already heavily weighted towards the elderly and is likely to become more skewed in this way in the future. This is even more apparent in the rural area than the core urban area. Migration, both from the South East Region and internally is resulting in increasing numbers of older people, especially in the rural areas"*²⁶

- 3.27 This has contributed to an increase in single person households, which are projected to continue to rise, placing additional pressure on the housing stock due to a requirement for more dwellings.
- 3.28 The SHMA also identifies an issue around affordability, explaining that:

"A growing number of working households in the HMA are claiming benefits are claiming benefits to assist in meeting their housing costs. Unemployment is low

²⁶ Dorset Housing Market Area Partnership (2008) Bournemouth/Poole Strategic Housing Market Assessment Final Summary Report (p6)

and migrant workers have been attracted to the area, particularly Bournemouth, filling low paid jobs and keeping wage levels down²⁷

- 3.29 Analysis indicates that the private rented sector has and will become an increasingly important enabler of housing mobility, particularly for those on low incomes. This is evident in the calculation of a need for 399 net affordable homes per annum between 2007 and 2012 and 361 per annum over the period 2012 to 2026. An alternative approach, looking at the balanced housing market as a whole, identifies an annual shortfall of 4,095 homes across the housing market area. This indicates that there is an outstanding need for affordable housing, both within North Dorset and across the wider housing market area.

Previous Policy / Evidence

- 3.30 The original Draft South West RSS which formed part of the Local Development Framework was published by the South West Assembly in 2006. An Independent Panel held an Examination in Public of the Draft RSS between April and July 2007. The resultant report setting out recommendations to change the Draft RSS was published in January 2008. A Proposed Changes version was published for consultation in July 2008.
- 3.31 North Dorset was incorporated within the Bournemouth & Poole Housing Market Area. This geography also included Bournemouth, Poole, Christchurch, Purbeck and East Dorset (noting this was broken down).
- 3.32 The Draft RSS made provision for a requirement of 5,100 new homes per year between 2006 and 2026 in North Dorset (255 dpa). The 'Meeting Housing Needs Background Paper (November 2013) states that:
- "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 the 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" (pg 12)*
- 3.33 The Proposed Changes version of the Spatial Strategy (2008) identified the need to make provision for the growth of at least 7,000 new homes or 350 dpa over the plan period.
- 3.34 The evidence informing the uplift included the 2003 DCLG Household Projections, as set out in the Draft RSS Panel Report²⁸ (Appendix Ai) (December 2007). Across the South West the level of growth projected under this dataset was met. This, however, required an apportioning of need based on a range of other factors. In North Dorset the projections showed a projected growth of 8,376 households. Evidently this indicates that under the RSS distribution North Dorset's needs were not planned for in full with the recommended dwelling requirement constraining growth.

²⁷ Ibid (p7)

²⁸ 'Panel Report December 2007 – Examination in Public April – July 2007 – Draft Regional Spatial Strategy for the South West'

- 3.35 This is acknowledged within the Panel Report, although it is noted that the uplifting of the requirement was intended to address, in part at least, the previous policy approach to limit growth in the rural areas. The report states:

"While we accept that the DCLG projections reflect past trend of dispersal from the main urban areas such as Bournemouth and Poole, we believe that there may be other factors that need to be taken into account. As noted above we are of the opinion that the impact of the new household formation rates will be felt in the more rural areas as well as the conurbation. In paragraph 4.0.10 we concluded that an allowance of 15% should be made for this factor and in this HMA we have applied it to Purbeck and North Dorset Districts. In the case of the North Dorset we were advised that significant parts were not well linked to the conurbation housing market area and therefore we conclude that the DCLG projections cannot easily be explained by dispersal trends from the conurbation. We have noted earlier that the draft RSS emphasis on employment-led migration may have resulted in a lack of recognition of the non-employment led migration streams such as retirement. We conclude that the higher figure for North Dorset District may be due in part to this factor." (Para 4.7.34)

- 3.36 The RSS evidence base recognised the link between housing need and the economy. With regards to the Bournemouth & Poole HMA area the report stated:

"The jobs forecast for this HMA is 45,400. SWRDA informed us that the Bournemouth/Poole conurbation is considered to be a key driver in the regional economy and pointed out that it had been recognised as a key area in The Way Ahead. The Agency highlighted the good levels of economic growth that the area had experienced in recent years and the good accessibility to London and the South East." (Para 4.7.21)

- 3.37 The Panel Report identified the issues regarding housing market area geographies in relation to North Dorset, stating:

"It was pointed out that the towns of Gillingham and Shaftesbury had little relationship with the housing market around the South East Dorset conurbation. On our tours of the region we saw nothing to counter this view. Nevertheless the discussions at the EiP did establish that the southern part of North Dorset District was well linked to the housing market of the conurbation. It is evident to us that settlements such as Blandford Forum cannot be divorced from the conurbation housing market area. This is confirmed by Map 4.2 and the implication is that North Dorset District should be split into two if not three HMAs. We suggest earlier in this report that an approach could be devised to allocate parts of District Councils to different HMAs, but this must be a matter for a subsequent review. At this point in time we consider the inclusion of the complete North Dorset District within the Bournemouth/Poole HMA need not cause a problem, provided these relationships are recognised." (Para 4.7.6)

- 3.38 The Bournemouth, Dorset & Poole Structure Plan (Formerly Dorset County Structure Plan) preceded the Drafting of the RSS and included policy provision for 52,900 dwellings (gross) between 1994 and 2011 across the market geography. Of this provision 5,900

dwellings were planned in North Dorset or 347 dwellings per annum on average over the 17 year period.

- 3.39 Prior to the RS the Structure Plan recognised that a 'constraint-based' or 'sustainable' approach was adopted in arriving at the provision for new housing development in the area. This reflected the ability of the County to accommodate new housing balanced against the forecast level of job change, although noting a number of assumptions relation to unemployment, commuting and double-jobbing and did not directly address identify market demands. The implications of this approach were identified, with the Structure Plan noting:

"both the Panel that conducted the Examination in Public of the Plan and the Secretary of State for the Environment, Transport and the Regions have expressed concerns about the possible implications of the 'sustainable' approach. The Panel felt that this approach was a 'high risk strategy in the context of the open market, in that it seeks to limit supply without being able to restrict demand. The resulting imbalance could have the effect, not of restricting in-migration as intended, but of creating social and economic hardship among the present population.' (County of Dorset Structure Plan to 2011, Report of the Panel, paragraph 10.21.). The Panel therefore recommended that there should be careful monitoring of the take up of the housing provision, and, in the event of demand outstripping supply to an extent sufficient to cause social problems, there should be speedy action to produce an Alternation to the Plan." (Paragraph 6.47)

- 3.40 This conclusion and the recommendation has an impact on the consideration of market signals considered in section 6 of this report and in the identification of the objectively assessed need for housing.
- 3.41 Significantly, in the monitoring of supply North Dorset Council introduced a Draft Supplementary Planning Document titled 'Managing Housing Land Supply in North Dorset' (November 2006). The purpose of this document was to constrain further the supply of housing on the basis of concerns around 'over-supply' against the structure plan target.
- 3.42 Policy SPD 01 'Managing the Release of the Remaining Allocations in the Local Plan therefore meant that with the exception of land east of Shaftesbury housing development proposed on the remaining allocations (up to 2011) was not permitted. The rationale for the exception being applied to the land at Shaftesbury was a recognition that this would help a plan wide recognised 'under provision of affordable housing'.
- 3.43 Evidently the introduction of this policy has further served to 'constrain' development rates within North Dorset since 2006. This has an important implication in understanding the impact this has on projections based on trends evidenced over this period (i.e. 5 year migration trends but also longer-term trends which take into account this time period). The constraining of supply will have meant that housing need will also have been constrained leading to the creation of a backlog of needs and/or a displacement to other areas.