

# Appendix A

---

Preliminary Inspector's letter to North Somerset Council  
Core Strategy Re-examination, dated 22 April 2014





# The Planning Inspectorate

3/12  
Temple Quay House  
2 The Square  
Bristol, BS1 6PN

Direct Line: 0303 444 5254  
Customer Services: 0303 444 5000  
Fax No: 0117 372 \*\*\*\*  
e-mail: Stephen.carnaby@pins.gsi.gov.uk

---

Mr Michael Reep – Planning Policy  
Manager,  
North Somerset Council,  
Town Hall,  
Walliscote Grove Road,  
Weston-super-Mare,  
Somerset,  
BS23 1UJ«Main\_AddressCountry»

Your Ref: «Reference\_Number»  
Our Ref:  
Date: 22 April 2014

---

Dear Sir,

## North Somerset Council Core Strategy

1. I have been appointed by the Secretary of State under Section 20 of the Planning & Compulsory Purchase Act 2004 to undertake the independent Examination of certain housing provisions of North Somerset Council's Core Strategy.

### Background

2. The Core Strategy was submitted for Examination in July 2011. As part of the original Examination, Hearings took place in November and December 2011 and the Inspector's Report was provided to the Council in March 2012. The Council adopted the Core Strategy in April 2012. However, the Council's adoption of the Core Strategy was challenged through the Courts. The Court's judgment concluded that the original Inspector:

*'failed to give adequate or intelligible reasons for his conclusion that the (housing requirement – my insertion) figure made sufficient allowance for latent demand i.e. demand unrelated to the creation of new jobs.'*

3. The Court's decision was that Policy CS13, which sets out the number of dwellings which the Council will need to provide during the Plan period, should be remitted to the Examination stage. The Policy was to be treated as not having been examined.
4. The judgment makes clear that it would only be the adoption of Policy CS13 which would be unlawful. However, re-examination of other policies could be necessary if the provisions of Policy CS13 required change. For this reason,

housing Policies CS6, CS14, CS19, CS28 and CS30-33 were also remitted to the Examination stage in order that any consequential changes arising from re-examination of Policy CS13 could be addressed.

5. My Examination deals with the remitted housing policies. In line with the judgment, I will first examine Policy CS13 against the tests of whether it is legally compliant, justified, effective, positively prepared and consistent with up-to-date national policy. Should it be necessary, I will deal with any necessary consequential changes to other policies at a later stage.
6. Paragraph 24 of the Approved Addendum Judgment stated that it would not be appropriate:

*'to restrict the examination to the question of whether the figure of 14,000 dwellings in CS13 makes adequate provision for latent demand.'*

7. In these circumstances, my Examination is based on the whole of the background evidence, the policy and its supporting text. I have not read the original Inspector's Report. As the policies in question are remitted to the Examination stage, the original Inspector's Report does not form part of the evidence before me and I wish to avoid the possibility of being influenced by his reasoning and conclusions.
8. As part of the Examination process I held Hearings sessions on 18-20 March 2014.

### **Proposed Main Modifications**

9. In preparation for my Examination, the Council undertook a re-consultation exercise on Policy CS13. However, that exercise was not carried out on the basis of the version of Policy CS13 which the Council had proposed to adopt. It was carried out on the basis of a revised version of Policy CS13 which was supported by a revised evidence base and by a supplementary Sustainability Appraisal (SA). Other modifications to Policies CS14, CS30 and CS31 were also put forward but, at the Hearings, the Council informed me that it intended that only the proposed Main Modifications to Policy CS13 were for consideration during this stage of the Examination process. I will refer to the modified version of Policy CS13 as the MM1 version.
10. During the Hearing sessions the Council provided me with an e-mail which requested that I recommend any Main Modifications which were necessary to make the Core Strategy sound. I explained that I was not in a position to agree to this request until I knew the extent of the Main Modifications which would be necessary, my concern being that the necessary Main Modifications could be so far-reaching that they would amount to a different Plan. Until I had heard the evidence I was not in any position to know whether this might be the case. I would refer the Council to paragraph 4.27 of the 2013 'Examining Local Plans Procedural Practice' guidance in this regard. However, I informed the Council that, at this stage, I was willing to proceed with the Examination on the basis of the Main Modification to Policy CS13 which had been the subject of the re-consultation exercise – the MM1 version.

11. During the Hearings the Council proposed further Main Modifications to Policy CS13 and its supporting text. This amended version of the Policy and text is set out in full in Appendix A to this letter and I will refer to it as the MM1(a) version of the Policy. These Main Modifications have not been subject to re-consultation or Sustainability Appraisal. Until this has taken place I cannot give formal consideration to these. However, in order to progress the Examination as quickly as possible, I will seek in this letter to give the Council some initial views on the proposed MM1(a) Modifications.

### **Inspector's Reporting Process**

12. As I made clear in the Hearing sessions, I consider that it would be in all parties' interests that the Council should have a sound adopted Plan in place at the earliest opportunity. Depending on my conclusions, making a formal Report to the Council at this stage could give rise to some procedural difficulties and would not necessarily be the best way of achieving this objective. It was agreed at the close of the Hearing sessions that the best way forward would be for me to write a letter to the Council informing it of my conclusions on Policy CS13. The Council could then decide how to proceed. Options open for the Council would include for me to provide a formal Report setting out my conclusions or for the Council to propose further Main Modifications to address any problems which arise. However, I should make clear at this point that I do not intend that the matters which have already been explored through those Hearing sessions which have already taken place will be subject of further debate. Any further consideration of Policy CS13 by myself would be strictly limited to consideration of any Main Modifications upon which the Council has re-consulted. I would also repeat my earlier comment that, should the necessary Main Modifications amount to a fundamental change in the direction of the Core Strategy, it would be inappropriate for me to accept the Council's request to recommend that the Main Modifications be made.

13. The Council argues that a housing requirement significantly greater than the 17,130 dwellings specified in the modified version of Policy CS13 could be inconsistent with the employment-led approach which underlies the spatial strategy of the adopted part of the Plan. This may be so. However, if the Plan provisions which I am considering are unsound, and if changes to make them sound cannot be accommodated within the adopted parts of the Plan, then that inconsistency would be for the Council to resolve. In the light of paragraph 17 of the Approved Addendum Judgment I do not consider that I am bound to accept that a Plan policy must be sound because modification of that policy would make it out-of-step with adopted parts of the same Plan.

### **Main Issues**

#### Sustainability Appraisal

14. The originally submitted Core Strategy was supported by a Sustainability Appraisal (SA) which assessed 6 potential housing delivery options ranging from 6,711 to 26,750 dwellings over the Plan period. More recent analysis of the housing requirement undertaken on behalf of the Council (the Edge Analytics study) indicates a 'robust' assessment of need of between 17,130 and 20,220 dwellings over the Plan period. In the light of this, 4 further delivery

options were examined by the Council in the supplementary SA. These were the 14,000 figure which the Council originally proposed to adopt and 3 other figures representing the bottom, top and an intermediate point in the range identified in the Edge Analytics study.

15. Taken together the 2 SAs assess 10 housing delivery options. In these circumstances, I am satisfied that an adequate range of options has been assessed. The SA needs to consider the Council's realistic options for delivering its objectives. I am satisfied that the SA is not required to consider options which involve total or partial failure of the Council's strategy.
16. Some Representors argue that the publication of the supplementary SA after the publication of the MM1 version of the policy indicates that the Council's choice in regard of the Policy CS13 housing requirement was not properly informed by the SA process. I accept the Council's argument that the SA is a tool to inform decision making but that it does not, by itself, make those decisions and that it is an iterative process. However, one of the tests of soundness is that the Council's plan provisions should be justified by appropriate evidence. The SA is a key part of this evidence.
17. The publication of the Council's MM1 revision to Policy CS13 some 2 months before publication of the SA which appraises the policy does tend to suggest that decisions about the housing requirement in Policy CS13 had been made before the evidence had been fully appraised. However, the original SA document, using the same methodology, had appraised a range of housing requirements which covered the range which had been suggested by the Edge Analytics study. The Council informed me at the Hearings that, where necessary, the background to these earlier assessments had been examined and brought up to date. In effect the supplementary SA was providing more detailed examination of a specific part of a range of housing delivery rates which had already been appraised. The effects of the range appraised in the supplementary SA were, to a degree, already known. In these circumstances I am not persuaded that the timing of publication of the supplementary SA indicates a fundamental flaw in the preparation of Policy CS13.
18. Some Representors argue that the SA exercises give insufficient weight to the social and economic dimensions of sustainability and that too much weight has been given to the environmental dimensions of the various options appraised. Having examined the SA documents, I can see no clear evidence that the options have been incorrectly assessed. However, whether these matters have been properly balanced in the Council's choice of strategy will be examined below.

#### Duty to co-operate / Strategic context

19. The Court judgment made clear that, at the time of the original Examination of the Core Strategy, the 'duty to co-operate' did not apply; the Plan had been formally submitted for Examination before the relevant date set by legislation. Policy CS13 and the associated policies were remitted to the Examination stage of the process i.e. a stage which falls after the formal submission date and, in these circumstances, the Plan remains submitted before the relevant date. Some Representors argued that the 'plan preparation' process had been re-

engaged by the alterations which the Council had made to the remitted policies. I disagree. The legislation contains a clear dispensation for Plans to be modified after the formal submission date. This is what the Council has done. In these circumstances, I am satisfied that the Council does not need to comply with the 'duty to co-operate'.

20. However, this is not to say that the Council does not need to have regard to the strategic context in preparing its Core Strategy. I accept that some uncertainty may have been caused by early announcements by the government that Regional Strategies (RSs) were to be abolished. However, those initial announcements were made some 4 years ago. Since the introduction of Section 33A into the Planning and Compulsory Purchase Act 2004 at the end of 2011 and the publication of the National Planning Policy Framework (NPPF) in March 2012 it has been clear that the former requirement for the Council to prepare Plans which were in general compliance with the RS was being replaced by a requirement to co-operate with adjacent local planning authorities. At no time has it been open to a Council to prepare a Plan which did not respond to its strategic context.
21. In 2009 the South West Regional Spatial Strategy (SWRSS) 2006-2026 had reached an advanced stage. However, at least so far as the housing requirement is concerned, the Council's Core Strategy does not rely on the draft RS, its supporting evidence base or on the earlier 2001 Regional Planning Guidance (RPG).
22. In its advice on Plan-Making, the NPPF advises that Councils should have a clear understanding of housing needs in the area and should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. Such assessments are frequently used to demonstrate strategic co-operative working by Councils on housing matters in the post-RS era.
23. In 2009 a West of England SHMA was undertaken by the Council, Bristol City Council and 4 other local authorities. The Council claims that this was accepted as an important component of the evidence base at the original Core Strategy Examination. However, since the time of that original Examination, the Council has undertaken a new assessment of housing need within North Somerset (the Edge Analytics study). This is not based on the wider 2009 SHMA conclusions and does not build on that earlier work. A review of the West of England SHMA has recently been commenced but work is at a very early stage. The Council estimates that the finalised SHMA will be available in early 2015 and work will then need to commence on interpreting the information in order to reach a co-operative framework within which the participating Councils can review or prepare Plans.
24. Policy CS13 is clearly not based on the strategic context formerly provided by the draft RS, its evidence base or on the earlier RPG. I accept that there may be sound reasons for this, not least the fact that this earlier work was based on pre-recession economic forecasts. Nor does the Core Strategy build on the 2009 joint SHMA which was prepared in the pre-NPPF era and was largely focussed on affordable housing issues. The Council accepts that the Edge Analytics study

does not assess the full need for housing as it does not look beyond the Council's own area and does not claim to have assessed the whole of any recognised housing market area. Neither Edge Analytics nor the Council claim that the study amounts to a full SHMA. Whilst the Council argues that it co-operatively works with its neighbours on a variety of levels, I have seen no clear evidence that any co-operative working has informed the preparation of Policy CS13. None of the neighbouring authorities is claiming at this stage that North Somerset will need to assist in meeting their own housing needs. However, until the West of England SHMA review is complete, the full circumstances surrounding what is clearly a complex housing market area cannot be known.

25. In these circumstances, it is difficult to come to any other conclusion than that Policy CS13 has been prepared outside of any clear strategic context which would satisfy the requirements of the NPPF. This would be a serious failing for any Plan but even more so where there is a long-recognised inter-relationship between the housing market of the Plan area and that of an adjacent major city – in this case Bristol.
26. Until the review of the West of England SHMA is complete there is no clear prospect of a strategic context being provided which would inform the formulation of Policy CS13. The need for a review of housing delivery in Bristol has been known since at least the middle of 2011 when its Core Strategy was adopted. It is disappointing therefore that, a full 2 years after the publication of the NPPF, it is only now that the process of undertaking a joint SHMA and the setting up of the necessary decision-making mechanisms has been commenced. Some Representors argue that, in the time that it had available, the Council could have undertaken its own SHMA covering a wider, multi-authority area. However, it has not.
27. This is not a new difficulty or one which is peculiar to North Somerset. In other cases (and notably in some authorities adjacent to North Somerset, including Bristol) issues surrounding the lack of a NPPF-compliant SHMA have been, or could be, resolved by embedding the need for an early review of the housing requirement into the Plan. The circumstances surrounding each of these cases are different. So far as I am aware, none are directly comparable to the circumstances pertaining in North Somerset, particularly in regard of North Somerset Council's underlying approach towards out-commuting and self-containment. I do not consider therefore that the way in which Inspectors have dealt, or are dealing, with these other Plans should necessarily influence my conclusions in this case. Nonetheless, I have considered the use of a similar review device with regard to Policy CS13. As I made clear at the Hearings, I consider that the Council should clearly commit to such a review in order that the Core Strategy is made NPPF-compliant.
28. It was surprising to find that the policy commitment to carry out a review of the housing requirement of Policy CS13 in 2016 and 2021 which had been embedded in the policy during the previous Examination process had been removed in the MM1 modification. It had been replaced by text which only committed the Council to a review before 2026 and then only in circumstances where it was shown that evidence indicated a need for additional homes. In my view that level of commitment is inadequate.

29. The MM1 version of the policy and text have been further modified by MM1(a). This modification commits the Council to a review of the housing requirement by 2018 – a date which aligns with the Inspector’s conclusions at the South Gloucester Core Strategy Examination. However, the accompanying text states that the purpose of the review would be to ensure that sufficient land is made available to meet housing needs to the end of the plan period. In my view this should make clear that it will also ensure that land is made available to meet any backlog of need which has arisen in the intervening period when assessed against any new target figure.
30. In my view the incorporation into Policy CS13 of a genuine commitment to undertake an early review of the housing requirement could provide a way forward with the remitted policies until such time as the review of the SHMA allows all components of housing need to be assessed. However, any interim position taken by the policies should provide a realistic foundation for any future review and should, in itself, be sound and legally compliant. I do not consider that it would be appropriate, even for a short period, to recommend the adoption of policies which are unsound and which are likely to require very significant change in the near future. I deal with these issues in more detail below. However, whilst it is difficult to draw comparisons, I note that in the recently adopted South Gloucestershire Core Strategy - an area with Green Belt issues similar to those of North Somerset - the housing requirement was increased through the Examination, pending a review, to about 85% of the requirement which had been specified in the draft RS. Policy CS13 proposes a requirement which is only about 63% of the draft RS target. I repeat that it is difficult to draw comparisons – for instance, out-commuting characteristics in the 2 districts may be very different – and I am not suggesting that North Somerset would necessarily need to increase its housing requirement in-line with South Gloucestershire for it to be found sound. However, this disparity does tend to indicate that, even for an interim period, the Policy CS13 housing requirement may be unrealistically low.

#### Policy CS13 – Assessment of the Housing Requirement

31. The evidence base which supported the housing requirement in the version of Policy CS13 which was proposed for adoption included an assessment of need which was based on a jobs:houses multiplier methodology. This methodology has now been abandoned and the housing requirement in the MM1 and MM1(a) versions of the policy is based on what the Council refers to as ‘more conventional’ trend-based methodologies which are reliant on recently produced ‘robust data’ in the form of Office for National Statistics, 2011 Census and 2011 Department of Communities and Local Government population and household formation projections. This assessment comprises the Edge Analytics study. The study recommends the Council to adopt as a basis for the Policy CS13 housing requirement a figure between 812 and 1018 dwellings per year, these providing ‘the most robust and up-to-date evidence for future planning purposes.’ Taking into account delivery in the 2006-2011 period, this equates to a requirement of between 17,130 to 20,220 dwellings over the Plan period. This assessment is untrammelled by any policy constraints arising from the adopted parts of the Core Strategy.



32. Some Representors consider that the perceived unreliability of these 'more conventional' methodologies indicates that the Council was right to move to less conventional methods. However, national guidance in the NPPF and the recently published National Planning Policy Guidance (NPPG) advises that the household projections are statistically robust and based on nationally consistent assumptions. I am satisfied that the Council is right to seek to employ methodologies in line with national guidance.
33. The Edge Analytics study does not claim to be a full, objective assessment of housing needs in a recognised housing market area. It concentrates solely on circumstances in North Somerset and is not informed by data sets from adjacent authorities. However, it is based on up-to-date national population and household formation statistics and makes pragmatic assumptions in their regard. Any assessment of this type could be criticised, especially at times where economic circumstances have been subject of rapid change. However, given the current information that is available, I do not consider that there is any reason for concluding that the Edge Analytics study, so far as it goes, is anything other than a fundamentally sound piece of work. My one concern in this regard is that the requirement at the lowest end of the 'robust' range of projections is based on migration figures for the last 5 years. During this period the country has been in the grip of an economic recession which may make reliance on these trends unreliable as a tool for looking forward. On the other hand, I accept that this assessment may be more sensitive to international migration factors which have arisen over recent years. I do not reject this projection but I consider that there is a need to be especially cautious about the assumptions which underlie it.

#### Policy CS13 – Compliance with National Policy

34. The NPPF gives clear advice on housing provision issues. Paragraph 47 requires Councils to boost significantly the supply of housing and to ensure that their Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area so far as is consistent with the policies set out in the Framework. In my view the Edge Analytics study is an objective assessment. However, it is neither 'full' in that it does not look beyond North Somerset nor does it assess an identifiable housing market area. Until the West of England SHMA is reviewed these deficiencies will not be remedied. However, government policy is clear that the supply of housing should be boosted. The Edge Analytics study makes clear that 17,130 dwellings is the lowest 'robust' assessment of housing needs in North Somerset. By limiting the housing commitment in Policy CS13 to the lowest of the 'robust' assessments, I do not consider that the Council could be argued to be 'boosting' housing supply. In my view the Council's approach is limiting housing supply.
35. I do not agree with the Council's argument that the 17,130 requirement would represent a 'significant boost' over the 14,000 figure in the version of Policy CS13 which it previously proposed to adopt. That 14,000 figure falls well below the 'robust' range of requirement identified by the latest evidence and, in the light of the hindsight provided by this evidence, was unrealistically low. Nor do I consider that the provision made in the Council's draft Sites and Policies Plan for 18,099 dwellings would amount to a significant 'boost' in supply over the 17,130 requirement in the MM1 and MM1(a) versions of Policy CS13. It is the

Policy CS13 figure against which the Council's 5 year housing land supply will be judged.

36. Paragraph 14 of the NPPF requires that the Council should positively seek opportunities to meet the development needs of the area although this may be tempered in circumstances where the adverse impacts of doing so would outweigh the benefits or where specific policies of the NPPF indicate that development should be restricted. One of the core planning principles set out in paragraph 17 of the NPPF is to manage patterns of growth to make the fullest use of sustainable means of transport and to focus significant development in locations which are sustainable. I deal with the Council's aspirations in regard of 'self-containment' below. However, I have seen no clear evidence to persuade me that the predicted increase in self-containment which could be achieved by the Council's approach would justify adopting a housing requirement which runs counter to the national requirement to fully meet needs and to boost housing supply.
37. Putting to one side the argument that the Council's housing requirement is not based on a full assessment of an identified housing market area, I do not consider that the Council's approach is seeking to 'boost significantly' the supply of housing. On the contrary, it is attempting to limit housing supply to the lowest number that it can realistically justify from the Edge Analytics study. In these circumstances I consider that the Council's CS13 housing requirement is clearly contrary to national guidance.

#### Policy CS13 - Effectiveness

##### a) *Self-containment / Out-commuting*

38. The Council's overall approach in the Core Strategy is 'employment-led' and is largely directed at addressing a long-perceived problem of out-commuting (to Bristol) and lack of 'self containment' which arises from an imbalance between jobs and housing, particularly in Weston-super-Mare. This manifests itself in Core Strategy provisions which seek to significantly boost employment and to prevent the over-delivery of housing. Policy CS20 seeks to provide 10,100 additional jobs over the Plan period whilst Policy CS13 seeks to provide a minimum of 17,130 dwellings – the bottom of the 'robust' range suggested by the Edge Analytics study.
39. The Council is confident that its strategy will lead to a reduction in the rate of out-commuting but it accepts that it will be a slow process and will only be achievable over the whole of the Plan period. However, such changes are difficult to predict. I have seen no clear evidence to persuade me that the predicted reductions can be achieved and the Council can deploy no measures to guarantee a reduction. Even if all the jobs proposed by Policy CS20 were to be delivered, the Council has no means of ensuring that they would be taken by North Somerset residents. The most it can do is provide additional opportunities for residents of North Somerset to work closer to home rather than to commute to Bristol. In these circumstances the forecast reduction in out-commuting must be uncertain.

40. The Council argues that there is evidence that out-commuting rates are already reducing. However, I consider that the evidence is somewhat uncertain. The Council has calculated that any housing requirement below 26,800 will provide some reduction in the out-commuting rates (as measured as self-containment rates) over the plan period when compared to the current self-containment rate of 65%. It is estimated that a housing requirement of 17,130 would deliver 74% self containment - an improvement of 9%. Had the Council chosen the housing figure at the top of the 'robust' range recommended by the Edge Analytics study, it estimates that the self containment rate would improve to a more modest 71%. However, this would still be a worthwhile improvement over existing rates.
41. Any reduction in the rate of improvement in self-containment rates which would derive from increasing the Policy CS13 housing requirements above 17,130 at this stage would only be experienced in the period before the Core Strategy review is completed. After that point the Council would be able to re-assess its approach to self-containment. The overall effect of accepting a reduced rate of improvement on the Council's long-term strategy of self-containment for this short interim period would, therefore, be only limited.
42. I accept that an improvement in self-containment would be a worthwhile objective in itself. However, its achievement needs to be balanced against the national objective of meeting the housing, business and other development needs of an area. In these circumstances, my view is that the small increase in self-containment which would derive from choosing the figure at the bottom of the 'robust' range as an alternative to, for instance, the figure at the top of this range or even a higher figure does not justify a departure from the national objective of significantly boosting housing delivery. I consider, therefore, that the housing requirement should be increased.

b) *Delivery*

43. The Council's 2013 Strategic Housing Land Availability Assessment (SHLAA) identifies a potential supply of land for almost 20,000 additional dwellings, although I note that this figure includes an 'allowance for windfall'. I have seen evidence which shows historic delivery rates from this source. However, I have seen no compelling evidence to suggest that 'windfalls' will continue to provide a reliable source of supply into the future. Some Representors have pointed out that the overall supply of land identified by the Council in the SHLAA is not finite and could be increased if the constraints applied in the site assessment process were reviewed and relaxed. This may well be so. In these circumstances I do not consider that a figure of 20,000 dwellings should necessarily indicate a maximum number of dwellings which could be accommodated.
44. The Council argues that any housing requirement above about 18,000 could not be physically constructed and marketed within the plan period and therefore the specification of a higher housing requirement would be 'simply a paper exercise'. However, I heard evidence from the development industry that this was not the case and that there was capacity and desire to build more dwellings if the opportunities existed. This would seem to be supported by the fact that, even during the recession, housing delivery has been robust with

average delivery targets of almost 1000 dwellings per year set by the 1996-2011 Structure Plan having been met. Since 2006 – a period of decline in house building – an annual average of between 856 and 990 dwelling completions have been realised in the District. The Policy CS13 requirement equates to 812 dwellings per year. I accept that the delivery of large sites can be delayed by necessary infrastructure improvements. However, I have seen no clear evidence to support the Council's claim that a housing requirement over 18,000 over the 20 year Plan period would be undeliverable.

45. Any version of Policy CS13 adopted at this stage will only be in place until the West of England SHMA review has been completed and the participating Council's have come to an agreed framework within which their Core Strategies can be reviewed. There is no dispute that the proximity of Bristol has a significant effect on the local housing market area and the housing market forces at play are likely to be complex. The outcomes of the SHMA review are currently unknown. However, the currently proposed Policy CS13 requirement is based on an assessment of North Somerset in isolation and the district has been the subject of substantial in-migratory pressures in the recent past. It would appear unlikely, therefore, that the outcomes of a SHMA which looked at a wider area would result in North Somerset needing to plan for a housing requirement which is significantly less than that specified in the MM1 and MM1(a) versions of Policy CS13 – although I accept that it is a possibility. It seems to me much more likely that North Somerset would need to plan for a higher requirement – possibly a much higher requirement.
46. In these circumstances I consider that the Council should set its housing requirement in the interim period at a pragmatic level. Such a level would prevent the build-up of an unmanageable backlog in delivery if, following a SHMA review, the housing requirement was to rise significantly. It would also enable the Council to take advantage of the opportunity to contribute towards recovery from recession. I do not consider that the Council has done this.

### *c) Employment Growth*

47. The Council argues that a housing requirement of 17,130 would be sufficient to support the proposed new jobs growth. However, that would only be the case if out-commuting reduces over the Plan period. The Edge Analytics study indicates that, if out-commuting does not reduce, the range of 'robust' projections would not be sufficient to support the employment growth proposed by Policy CS20. If there is no reduction in out-commuting, a housing requirement of 1,400 dwellings per annum or 25,950 dwellings over the Plan period would be required.
48. If the amount of housing delivered by Policy CS13 is inadequate to provide the pool of labour to support the employment growth envisaged in Policy CS20, the provision of new jobs could be held back and a major plank of the overall strategy would be undermined. Whilst self-containment would be a worthwhile objective in sustainability terms, I consider that it would be imprudent to rely too heavily on uncertain and uncontrollable reductions in out-commuting as a determining factor in establishing something as crucial as the housing

requirement especially where there is a clear risk that the objective of employment creation would be undermined.

*d) Affordability Issues*

49. There is a substantial need for affordable housing in North Somerset. Limitations on market housing development will have a consequential effect on the number of affordable houses which can be delivered.
50. The Edge Analytics study identifies a trend of migration between North Somerset and its immediate neighbours. In the period 2001-2011 this involved a steady rate of in-migration of about 2,000 persons per year into North Somerset, principally from Bristol. It is only through the production of a joint West of England SHMA that the complex factors which underlie this can be assessed and appropriate strategic responses drawn up. However, there is no evidence to suggest that the trend will slow in the near future. Any restriction of the provision of housing in the face of steady demand (or increased demand if the proposed provision of new jobs is realised) is likely to force house prices upwards. The 2009 SHMA identified an issue of housing affordability in North Somerset and, whilst the Council's evidence indicates that the current situation in the district is not significantly different to regional and national trends, there is no evidence that the situation is improving. Upward pressure on house prices is only likely to make this situation worse.
51. The Council has no ability to control who buys houses in the district. Those with the available resources will be able to out-bid those who do not - whatever their personal circumstances. This could result in those who work in North Somerset being displaced by those who out-commute to Bristol or who are not economically active simply because they have been out-bid. The policy could therefore be ultimately counter-productive in terms of the objective of self-containment.

**General Conclusions**

52. The development of Policy CS13 does not comply with national guidance in that it is not prepared within any clear strategic context and it is not informed by an up-to-date SHMA. I do not consider that the policy is based on a full, objective assessment of housing needs in the housing market area. In these circumstances, development of the policy is not in compliance with national guidance. The Edge Analytics study appears to be a robust piece of work but it only 'goes so far'. Whilst it may be possible to move forward employing the device of an early review of the Core Strategy, this would depend on the robustness of the interim policy position.
53. The setting of the Policy CS13 housing requirement at the lowest limit of the 'robust' range identified in the Edge Analytics study does not comply with the national objective of significantly boosting housing supply and is not, in my view, an example of positive planning. Whilst increased 'self-containment' is a worthwhile objective, the Council has no means by which out-commuting and 'self-containment' can be managed or controlled. The most it can do is to provide the opportunity for North Somerset residents to find jobs more locally. I do not consider the predicted improvements in self-containment are sufficient

to justify departure from what is a major plank of national policy. I also do not consider that arguments relating to realistic delivery rates and land availability are sufficiently persuasive to justify setting a lower housing requirement.

54. Employment growth is a major plank of the Council's employment-led strategy. The Council's ambitious employment targets would only be adequately supported by the Policy CS13 housing requirement if reductions in out-commuting are achieved. Without any means of managing or controlling out-commuting I do not consider that it would be prudent or effective to place so much reliance on such uncertainties. Any failure in the achievement of the reduction in out-commuting could have serious consequences for jobs growth, the meeting of housing needs and the affordability of houses. These consequences could, in themselves, undermine the very thing that the strategy is designed to remedy – self-containment.

### **Overall Conclusion**

55. As I have already made clear, I consider it important for all parties that the Council should have a sound Core Strategy which is legally compliant and in-line with national guidance at the earliest opportunity. Whilst some of the matters outlined above could be addressed by an early review of the Core Strategy, others cannot. In these circumstances, I could not find Policy CS13 sound or compliant with national guidance.

56. I appreciate that this conclusion will be very disappointing for the Council and for others who are seeking the clarity and guidance that a complete adopted Core Strategy would provide. Nonetheless, the Council needs to consider how to proceed from this point. The principal options are:

1. The Council could decide to withdraw Policy CS13 and the other remitted policies to enable a measured and proportionate review of both the housing policies and any consequential impacts on the adopted strategic policies where these require revision.

2. The Council could reconsider its short-term aspirations in regard of self-containment and, as part of this Examination, propose a Main Modification which contains a higher Policy CS13 housing target. However, I suggest this second option on a without prejudice basis since whether or not this is a realistic way forward will depend on a number of issues which the Council will need to consider. These are:

- i) The Council has previously indicated that any significant increase above the Policy CS13 housing figure could be inconsistent with the employment-led approach which underlies the adopted parts of the Plan. If the Council remains of this view then a higher housing requirement may be incapable of being accommodated. In these circumstances the Council may want to re-examine whether this assessment is conclusive and, indeed, fatal to the Plan.

- ii) If the Council feels that it is in a robust position to put forward a higher housing requirement, the top of the 'robust' range identified in the Edge Analytics study might potentially be a starting point

although somewhere between that point and 25,950 would be more easily justified as such a figure would be more likely to be sufficient to support the proposed employment growth – albeit with less effect on self-containment.

iii) If the Council was to develop proposed draft Main Modifications to uplift the housing figure, it would need to provide a clear appraisal of the effects that this approach would have on the overall spatial strategy linked to (i) above. As noted in paragraph 12 of this letter and in paragraph 4.27 of the 2013 'Examining Local Plans Procedural Practice', should the Main Modifications amount to a fundamental change in direction of the Core Strategy – effectively amounting to the re-writing of the Plan – it would be inappropriate for me to accept the Council's request to recommend that Main Modifications be made.

3) I could find Policy CS13 unsound based on my Examination at this juncture. The Council should also note that pursuing Option 2 does not rule out the possibility that the Plan may still be found unsound.

57. No doubt the Council will wish to take some time to consider its next steps. However, when it is ready, I would be grateful if it would let me know how it wishes to proceed.

Yours faithfully,

*Roland Punshon*

INSPECTOR

# Appendix B

---

Dorset Growth Deal, dated 7 July 2014





## DORSET GROWTH DEAL

The Dorset Growth Deal aims to unlock major growth in and around two of Dorset's most significant economic assets – Bournemouth Airport and the Port of Poole, as well as supporting Dorset's vibrant and diverse business base.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Enabling growth in key housing and employment sites
- Creating the conditions for growth
- Supporting Dorset businesses
- Growing the skills base

Dorset has secured **£66.4m from the Government's Local Growth Fund to support economic growth in the area – with £11.7m of new funding confirmed for 2015/16 and £42.4m for 2016/17 to 2021**. This includes £12.2m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will bring forward at least **£530m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £596.4m for the Dorset LEP.**

By 2021, this Deal will create at least 25,000 jobs and allow 3,000 homes to be built.

The LEP brings together Dorset Council, Bournemouth, Poole, and Dorset District Councils.

### Summary of Dorset Growth Deal projects and funding

<b>Dorset LEP Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	11.7	39.9	51.6
<b>Previously committed funding</b>	12.2	0	12.2
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	0	2.6	2.6
<b>Total</b>	23.9	42.5	66.4

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

### **Dorset LEP and Government have agreed to co-invest in the following jointly-agreed priorities:**

- **Port of Poole Infrastructure** – A package of schemes to improve access in and around the port of Poole, including maintaining a second bridge crossing and completing townside access to the port, to unlock growth at the port and new development sites in Poole

- **Bournemouth Airport Infrastructure** – A package of transport schemes to unlock suppressed growth at Bournemouth Airport, including the major renewal of the A338 spur road
- **Jurassica** – Preparatory work for a flagship new Jurassic Coast visitor centre on the Isle of Portland
- **ODIAC** – Funding to establish a research centre of excellence in orthopaedics at Bournemouth University, to grow Dorset's Orthopaedic Development and Innovation Accelerator Cluster (ODIAC) of innovative businesses in this field

**Provisional allocations to projects starting 16/17 and beyond**

- **Bournemouth and Poole College Engineering and Advanced Manufacturing** – New facilities for engineering and advanced manufacturing students to help close Dorset's high level skills gap in this key sector
- **Bournemouth and Poole College Financial and Business Services** – Refurbishment of facilities to equip the next generation of local entrepreneurs with the enterprise skills they need to succeed

Dorset LEP and Government view this deal as the first step in a multi-year process that will enable the LEP to secure further funding allocations in future years. As part of this process, additional projects will be considered for funding. This includes but is not limited to LEP priority projects such as:

- The Silicon South initiative to grow the creative digital sector in Dorset
- The Dorset Green Development project
- Holton Heath Trading Park
- The Gillingham Urban Extension

**Local flexibility over Growth Deal programme:** The Government recognises the significant steps that the Dorset LEP have taken to deliver a successful and achievable Local Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The LEP will be expected to deliver all the projects in the Deal document and to achieve this the Government will disburse funds to the LEP quarterly in advance – with any changes to projects agreed each quarter. The Cities & Local Growth Unit will therefore be working closely with the LEP on any amendments to the deal and supporting local partners to resolve any emerging issues such as the profile.

The Cities & Local Growth Unit will work closely with the LEP to resolve any outstanding concerns that will allow Dorset LEP to achieve increased flexibility ahead of the first payments in April 2015.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

## **The Dorset Growth Deal**

The investment secured by the deal will be focused on four key areas to deliver transformative growth:

### **Enabling growth in key housing and employment sites**

A comprehensive multi-year package of transport schemes to enable growth in and around Bournemouth Airport and the Port of Poole, including the renewal of the A338 spur road, schemes to improve traffic flow at the key junction points close to Aviation Park of Hurn roundabout, Chapel Gate and the Blackwater Interchange, widening of the A338 from Cooperdean to Blackwater, key junction improvements across the Bournemouth and Poole conurbation, completion of Poole townside access to the port of Poole, major works to the Poole Bridge Approach to ensure that Poole continues to benefit from two bridge crossings and improvements to the A349 Gravel Hill to strengthen the embankments, improving the reliability of this important route into Poole from the national network.

In addition to these projects, the Government will ensure closer collaboration and joint working between the Homes and Communities Agency (HCA) and Dorset LEP as the LEP brings forward its plans for new homes in the area, with specific staff resource input into the Gillingham Urban Extension project. The HCA welcomes the Dorset bid into the Local Infrastructure Fund to progress a major housing project at Poole Power Station.

The Government will also engage with the LEP to examine the potential to release government land and property to promote local economic growth and/or housing development, and will explore with Dorset its ideas for town centre renewal.

In return, the Government seeks the LEP's commitment to work with local authorities to deliver the housing provided for in the relevant Local Plan.

<b>Dorset LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• To invest £2.3m local authority funding in the Port of Poole infrastructure package</li> <li>• To invest £20.7m local authority funding in the Bournemouth Airport infrastructure package</li> <li>• Deliver 2,700 new homes – 2,500 around the Port of Poole and a further 200 around Bournemouth Airport, and 42,000 sq m of commercial floorspace at Bournemouth Airport</li> <li>• The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans.</li> </ul>	<ul style="list-style-type: none"> <li>• To invest £23.3m in invest in the Port of Poole infrastructure package</li> <li>• To invest £39.5m in the Bournemouth Airport infrastructure package, including £12.2m pre-committed Local Growth Fund for the A338 Spur Road project</li> <li>• To provide an experienced HCA surveyor (detail to be agreed) to assist with the Gillingham Urban Extension Project, with specific support around land assembly and the planning process and the continued support of HCA's Advisory Team for Large Applications</li> <li>• The HCA to work with the LEP to explore potential for Extra Care provision through the national competitive bidding process</li> <li>• The HCA to work with the LEP to provide clarity to any potential bidders into the Builders Finance Fund, which is available for development finance for schemes up to 250 units and is bid for competitively</li> <li>• Government Property Unit to engage with the LEP to examine the potential to release government land and property to promote</li> </ul>

	local economic growth and/or housing development, and explore with Dorset LEP its ideas for town centre renewal.
--	--

### Creating the conditions for growth

In order to create the right environment for growth in Dorset, the government will commit to a number of measures aimed at enabling LEPs to take a more active and strategic role in transport and infrastructure planning. The Department for Transport and Network Rail will commit to more proactive engagement of Local Enterprise Partnerships in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification. The Department for Transport and Highways Agency commit to proactively engage Local Enterprise Partnerships in the long-term planning of the strategic highway network (e.g. Route Strategies).

In taking forward new growth opportunities, the Environment Agency, Natural England, Forestry Commission and Marine Management Organisation will work closely with Dorset LEP in accordance with the Defra Network offer, and will participate, as appropriate, in any task and finish groups that may be set up to take forward funding. Infrastructure UK will also advise on joint working between Government agencies and the Dorset LEP to design solutions that take account of the interdependency of economic activity and local circumstances in taking forward growth projects.

Dorset LEP commitments	Central Government commitments
<ul style="list-style-type: none"> <li>• The LEP and partners agree to the LEP to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities.</li> <li>• The LEP and partners agree to the LEP taking a more proactive role in consultation on long-term strategic road network planning and to provide a co-ordinating role between constituent local authorities.</li> </ul>	<ul style="list-style-type: none"> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the LEP in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the LEP as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of the LEP and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders</li> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local</li> </ul>

	<p>economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p> <ul style="list-style-type: none"> <li>• Defra Agencies to engage with the LEP in accordance with the terms of the Defra Network Offer, and take part in any task and finish groups to take forward funding</li> <li>• Infrastructure UK to advise on joint working and holistic solutions for growth projects.</li> </ul>
--	--

### Supporting Dorset businesses

A set of interventions aimed at supporting Dorset’s vibrant and diverse business base, including initial investment in Dorset’s flagship new Jurassic Coast visitor centre on the Isle of Portland, which when built will boost the visitor economy and associated sectors across the south coast as well as creating jobs in its own right. Investment will also be provided to establish a research centre of excellence in orthopaedics at Bournemouth University, to grow and attract innovative businesses in this field to Dorset.

The Growth Deal also includes revenue funding to strengthen the Dorset Growth Hub, to coordinate and deliver an effective business support offer to Dorset’s businesses. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives. The Technology Strategy Board recognises the important and valuable role and LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this.

In support of business growth through trade and inward investment, UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to sixteen. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.

<b>Dorset LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• To take forward the preparatory stages of the Jurassica project</li> <li>• To take forward the capital elements of the Orthopaedic Development and Innovation Accelerator Cluster (ODIAC), which will support up to 50 learners, and seek ways to</li> </ul>	<ul style="list-style-type: none"> <li>• To invest £0.3m in the Jurassica project</li> <li>• To invest £0.7m in Dorset’s Orthopaedic Development and Innovation Accelerator Cluster</li> <li>• Provide £250,000 funding to the LEP for Growth Hub business support coordination,</li> </ul>

<p>ensure associated projects are taken forward to develop the wider cluster</p> <ul style="list-style-type: none"> <li>• Develop and operate the Dorset Growth hub in accordance with Government guidelines</li> <li>• Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time</li> <li>• Support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Dorset LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Dorset LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li> </ul>	<p>subject to the Growth Hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</p> <ul style="list-style-type: none"> <li>• The Technology Strategy Board recognises the important and valuable role and LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.</li> </ul>
--	--

### Growing the skills base

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover they have the ability to link employers with education providers, can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, Government and LEPs will work together to build stronger links between education providers and local businesses.

The Government has set out an indicative funding allocation for two skills capital projects in Dorset, which will provide new facilities for engineering and advanced manufacturing students to help close Dorset's high level skills gap in this key sector and facilities to equip the next generation of local entrepreneurs with the enterprise skills they need to succeed, at Bournemouth and Poole College.

<b>Dorset LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Provisional allocation to projects starting 16/17 and beyond: indicative commitment to invest £4.6m local authority funding in new engineering and advanced manufacturing facilities at Bournemouth</li> </ul>	<ul style="list-style-type: none"> <li>• Provisional allocation to projects starting 2016/17 and beyond: indicative commitment to invest £2m in new engineering and advanced manufacturing facilities at Bournemouth and</li> </ul>

<p>and Poole College</p> <ul style="list-style-type: none"> <li>• Provisional allocation to projects starting 16/17 and beyond: indicative commitment to invest £1.4m local authority funding in the refurbishment of financial and business services facilities at Bournemouth and Poole College</li> <li>• Consider skills implications as part of decision taking on growth strategies.</li> <li>• Clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the Further Education and skills sector.</li> <li>• Positively engage the Further Education and skills sector in key strategic partnerships e.g. Skills and Employment Boards.</li> <li>• Recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment.</li> <li>• Facilitate stronger linkage between education providers and local businesses. Work with relevant local stakeholders to communicate our priorities and align the LEP's offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service.</li> <li>• The Government expects Dorset LEP to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</li> </ul>	<p>Poole College, for a 16/17 start</p> <ul style="list-style-type: none"> <li>• Provisional allocation to projects starting 16/17 and beyond: indicative commitment to invest £0.6m in the refurbishment of financial and business services facilities at Bournemouth and Poole College, for a 16/17 start</li> <li>• Work with Dorset LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in Dorset.</li> <li>• Through the Skills Funding Agency, support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> <li>○ <b>Procurement of new provision:</b> LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment</li> <li>○ <b>Accountability:</b> Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery.</li> <li>○ <b>Allocations and Intervention:</b> In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years</li> </ul> </li> <li>• Set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during</li> </ul>
--	--

	<p>summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.</p> <ul style="list-style-type: none"> <li>• Seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas.</li> </ul>
--	--

**As part of the deal the LEP will:**

- **Strengthen governance** by establishing a formally constituted Joint Committee bringing together all Dorset’s local authorities, and continue to explore the formation of a Combined Authority or similar structure in the future.
- **Ensure implementation and demonstrate success**, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.



# Appendix C

---

Dorset SEP, Appendix 5 Extract



## Appendix 5: Economic Methodology and Outputs

Our main results include jobs created by interventions. These are full-time equivalent permanent jobs that are created by the interventions. These include:

- Direct jobs in an organisation that makes investments as part of a project. These are located within the LEP geography. These figures are derived from business plans presented in respect of individual interventions/projects.
- Indirect jobs created by the provision of new employment land (new jobs hosted). These are located within the LEP geography. These jobs are derived from the areas of land that are built upon, with project-specific knowledge informing the employment potential of these areas.
- Indirect jobs created in the supply chain by the firms operating in the three categories above. Some of these jobs will be located in the LEP geography, but many will not be. These are estimated using Office for National Statistics sources, with multipliers from Input Output Tables<sup>1</sup> and wage rates from the Annual Survey of Hours and Earnings<sup>2</sup>.
- Indirect jobs created by additional visitor spending. Most of these would be in the LEP geography, but some visitors attracted by interventions might spend some of their time and money in nearby areas. Visitor spending estimates are compiled separately for international tourists, domestic tourists and day visitors from estimates based on the most recent data available for the appropriate geographical area<sup>3</sup>.

Jobs figures specifically exclude:

- Induced effects that may come about through further re-spending of wages and other earnings.
- Double counting of figures, for example: jobs in visitor attractions (and in their supply chains) are not included when jobs are calculated as a result of new visitors.
- Construction jobs, which are calculated separately but not included in the estimates of permanent jobs created.

Estimates are adjusted for additionality where:

- There is reason to believe that part of an activity will be displaced from elsewhere in the LEP geography.
- Where visitors might have visited the LEP area in the absence of the intervention.

	Additional FTE jobs by 2020/21					Construct ion job- years
	Direct jobs	New jobs hosted	Indirect (supply chain)	Indirect (visitor spending)	Total	
<b>Bournemouth Airport Growth Hub Infrastructure</b>	0	6,400	6,707	0	13,107	438
<b>Bournemouth Seafront Strategy</b>	0	0	0	555	555	354
<b>Cobham Gate, Cobham</b>	0	1,125	1,179	0	2,304	78

<b>Road, Ferndown Industrial Estate</b>						
<b>Dorset Co-investment Fund</b>	1,587	0	1,663	0	3,250	0
<b>Dorset Maritime Sector Growth Programme</b>	0	0	0	0	0	0
<b>Dorset Proposition</b>	0	0	0	0	0	0
<b>Growth Towns</b>	39	0	31	0	70	0
<b>Holton Heath Trading Park</b>	0	500	524	0	1,024	0
<b>Joint Universities Business Park</b>	84	0	88	0	172	1,125
<b>Jurassic Coast Studies Centre (JCSC)</b>	26	0	27	36	88	144
<b>Jurassica</b>	0	0	0	722	722	0
<b>Lansdowne Business and Enterprise Quarter</b>	1,305	950	2,236	0	4,491	290
<b>Living Labs for Wellness, Social and Healthcare</b>	1,260	0	1,320	7	2,587	0
<b>MEMO Project</b>	0	0	0	589	589	555
<b>Orthopaedic Development and Innovation Accelerator Cluster</b>	230	0	270	0	500	0
<b>Port of Poole</b>	500	5,000	5,994	0	11,494	8,789
<b>Western Growth Hub – Weymouth Town</b>	600	0	629	53	1,282	0
<b>Broadband</b>	0	0	0	0	0	307
<b>Destination Portland Related Infrastructure Projects</b>	0	0	0	0	0	6,206
<b>Gillingham Southern Extension</b>	0	375	393	0	768	233
<b>Littlemoor Urban Extension</b>	0	1,500	1,572	0	3,072	0
<b>Portland Port</b>	2,907	533	4,730	45	8,214	1,671
<b>Transport Projects</b>	0	0	0	0	0	2,716
<b>Dorset Green</b>	10	120	132	0	262	0
<b>Housing not included elsewhere</b>	0	0	0	0	0	258
<b>Land south of A30, Shaftesbury, North Dorset</b>	0	980	1,027	0	2,007	0
<b>North Dorset - Mixed Use Sites</b>	0	4,420	4,632	0	9,052	369
<b>Station Road Area, Gillingham</b>	0	0	0	0	0	0
<b>Unlocking Potential</b>	366	2,380	2,878	0	5,624	1,206
<b>Dorset Growth Hub</b>	100	0	105	0	205	0
<b>Explora</b>	0	0	0	61	61	0
<b>Integrated business</b>	120	180	314	0	614	352

<sup>1</sup> Office for National Statistics (2014). United Kingdom Input-Output Analytical Tables 2010.

<sup>2</sup> Office for National Statistics (2013). Annual Survey of Hours and Earnings, 2012 Revised Results.

<sup>3</sup> South West Research Company Ltd (2014). The Economic Impact of Dorset's Visitor Economy 2012: Dorset and Districts. Report for the Dorset Tourism Partnership.

# Appendix D

---

Dorset SEP, Pages 39-40 Extract



# The LEP Region: profiles, prospects and propositions

## Skills: Business as usual is not an option

Our Talented Dorset theme points to the need to develop and create talent in the economic region. As well as growing new sectors, we need to ensure we can replace and develop talent and the productivity required for local growth. This cuts across our skills plan and the work we need to accelerate for housing and accommodation market development.

### Replacement Demand: Replacing 56,500 employees by 2021 and 138,300 as an ageing population moves to retirement

Looking at expansion demand over the decade to 2022, it is projected that in the Dorset LEP area 53,900 new employees will be required, compared with 56,500 over 2011-2021: 2011 saw a dip in employment growth and so was a lower base position than 2012. There are few differences in the change by occupation 2011-2021 and 2012-2022.

If we look at this expansion demand alone, there are a number of occupations where net demand is negative i.e. the total number in employment in that occupation is falling. This can be seen in Figure 1.9.

However, in addition to this expansion demand for 53,900 people, there will be a need to replace 138,300 people in all occupational groups as they leave the labour market to retire, as shown in Figure 3 following. Together with a small adjustment as people shift between occupations, this gives total replacement demand of 138,200 and a resulting net requirement for 192,400 new employees in the local labour market.

Figure 1.11 Projecting future skills

