

**West Dorset, Weymouth & Portland
Local Plan Examination Statement
- Matter 3 Spatial Strategy**
Examination ID Ref: 261 – Sherborne
Castle Estates

November 2014

Turley

1. Matter 3 – Spatial Strategy

3.1 - Are there alternative development options which would deliver a more effective and sustainable development strategy?

- 1.1 As set out in further detail in our statements for Matter 1 and 12, the plan period should be retained as being to 2031 in order for a 15 year strategy being in place from the point of adoption in line with the requirements of the NPPF.
- 1.2 As set out further in this statement we consider that the housing requirement should be increased further beyond the Council's proposed 775 dwellings per annum.
- 1.3 As part of this, further land needs to be identified for development to meet requirements to 2031 including the reinstatement of our client's extended site area for SHER1 Barton Farm.

3.2 - Is the overall distribution of housing and employment appropriate to the needs of the two areas?

- 1.4 The Plan does not positively address the balance between new employment and housing development. The SHMA update has sought to consider the two authorities collectively with regards to the balancing of housing need and employment growth. Whilst there are individual outputs for each authority the conclusions are based solely on modelling outputs related to demographic and economic projections of the future. The Draft Plan does not appear to have critically appraised the outcomes of the modelling in relation to the spatial strategy or its implications for the distribution of either housing or employment.
- 1.5 Across the two authorities the proposed 775 dwellings per annum is directly based upon the 2001-07 trend scenario presented within the PBA SHMA Part 1 report. This is built based upon a projection forward of demographic change over this pre-recession period.
- 1.6 The supporting evidence supplied by PBA suggests that this scenario is estimated as supporting a growth in economically active persons of 2,300 between 2011 and 2031. It is evidently apparent that this level of 'labour-force' growth falls significantly below a number of economic forecasts presented through representations. This includes, for example:
 - Cambridge Econometrics – 12,400 jobs projected to be created between 2011 and 2031¹
 - Oxford Economics (September 2014) – 8,300 jobs between 2011 and 2031²
 - Experian (June 2014) – 4,300 jobs between 2011 and 2031³

¹ Cited within ID:933 Representations – Nexus Planning representing Woodsford Farms

² Cited within ID 648 Representations – Pegasus Group representing Grainger plc (part of the North Dorchester Consortium)

³ Included within our Further Proposed Changes 1-3 and Underpinning Evidence Base Review and Critique.

- 1.7 The Council's evidence base has not sought to assess or evaluate the 'likely level of job growth' as required through the PPG in order to inform its Local Plan. This represents a significant failing and undermines the weight which can be placed upon the outputs of the SHMA evidence. In order to present an integrated evidence base, recognising the scale of departure in the planned level of job growth in the latest iteration of the Local Plan, work should have been undertaken to update the employment land evidence in order to examine in more detail the level of future job growth. This in turn should have informed the objective assessment of need.
- 1.8 Whilst it is acknowledged that economic forecasts can vary and that their outputs are subject to varying input assumptions it is apparent from a review of other important indicators of future job growth that there is strong evidence of a more positive economic outlook than that considered within the updated evidence. We have set out a detailed review of these aspects within our Underpinning Evidence Base Review and Critique representations to the Further Proposed Modifications and summarised key points below:
- Evidenced strong historic levels of job growth. Approximately 10,000 jobs created between 1997 and 2012 (approximately 665 jobs per annum). The majority of which were created within West Dorset;
 - A clear economic vision for the area in the previous iteration of the Draft Plan. This was reflected in the allocation of additional employment land allocations. It is estimated that in excess of 7,000 gross jobs could be supported through B use land with planning permission already in place⁴. It is important to recognise these jobs only relate to those derived from B-class uses and that they show a comparatively even split between the two authorities.
 - A stated ambition from the LEP to transform Dorset. It is asserted that the proposed investments within the SEP have the potential to create 1,000 new business start-ups, with 22,000 new direct jobs in the region as well as almost 80,000 indirect jobs.
- 1.9 The above reinforces that the evidence base underpinning the Local Plan housing and employment land requirements have not demonstrated that economic needs have been considered or justified in full.
- 1.10 In considering the evidence based approach to align housing and employment it is recognised that in order to derive a positive uplift in the projected number of persons economically active the modelling assumes a profile of migration which reflects the pre-recession period. It is important to set this in the context of the economic climate at the time and the 'economic ambition' in the Draft Plan. Over the period 2001 to 2007 the two authorities are estimated to have created in the region of 7,000 jobs. By contrast, as outlined above, the Local Plan is now planning to support only the provision of 2,300 jobs.

⁴ See Figures 3.4 and 3.5 of the Turley Underpinning Evidence Review and Critique submitted alongside consultation response to Further Proposed Changes, September 2014

- 1.11 It is not apparent how such a limited growth in jobs will be translated into a profile of in and out migration which reflects the pre-recession period where job growth was evidently more buoyant than now assumed through the Plan. In this context it is also important to recognise the changing scale of affordability issues over this period. Evidently based on the analysis presented in Part 2 of the SHMA younger households face considerable challenges in accessing housing in the area as a result of worsening affordability issues. This is considered further in our answer question 3.5.
- 1.12 On the basis of the above it is clearly evident that the housing requirement for the two authorities and its distribution as established in the Plan does not respond positively to the available evidence relating to employment growth prospects or indeed market signals and is therefore not considered appropriate. The failure to justify and evidence a likely level of job growth both collectively across the two authorities and individually, noting that this has fundamentally changed within the latest iteration of the Local Plan, undermines the weight which can be placed upon the housing need evidence and therefore the Local Plan policies. This also presents a challenge for understanding the extent to which existing employment policies, including a distribution of allocated land, responds and relates to the proposed distribution of housing requirements across the Plan area.

3.3 - What effect will be the balance of homes and jobs be likely to have in reducing community pressures?

- 1.13 Our response to question 3.2 highlights that the planned level of housing is identified within the SHMA Part 1 report as only being able to support a modest level of labour-force growth. Any level of job growth above this labour-capacity will be required to be met through commuting from surrounding areas. This suggests a significant risk that rather than reducing commuting pressures into the Local Plan area they will continue to worsen.
- 1.14 In this context it is important to recognise that this is a trend which has already been occurring over recent years. It is apparent when comparing the number of working residents within an area with the workforce that between the two Census years West Dorset has become increasingly reliant on importing labour and Weymouth & Portland has increased the number of people travelling to other areas to work⁵. It is not apparent how the Draft Plan proposes to address this imbalance with the evidence base implying a continuation of this flow with an increasing number of workers travelling out of Weymouth & Portland to work and a sustained net inflow of labour into West Dorset.

3.4 – Is there sufficient flexibility in the Plan to respond to changing circumstances?

- 1.15 It is apparent from the responses to questions 3.2, 3.3 and 3.4 that there are a number of uncertainties regarding important drivers of housing need and demand in the area. Evidently the area has a strong history of creating jobs, the Local Plan, appears to suggest a significant departure, at least in the level of housing it proposes, from seeking to enable a comparable level of job growth in the future.

⁵ Figure 5.5 of Turley Underpinning Evidence Review and Critique submitted alongside consultation response to Further Proposed Changes, September 2014

- 1.16 If stronger job growth is realised, a prospect which based on the available forecasts certainly represents a reasonable assumption, this will have a significant impact on further worsening commuting patterns without an adequate response through the provision of sufficient amounts of housing.
- 1.17 It is apparent from a review of the emerging plans and evidence base in surrounding authorities, with which there identified market linkages, that there is identified unmet housing needs. This is evidently reflected in the Inspector's Report's / Correspondence in relation to both the Purbeck and East Devon Local Plans, with both highlighting the potential implication for West Dorset in particular.
- 1.18 The Draft Plan, in the establishment of its housing requirement, does not provide any flexibility to address the unmet needs of neighbouring authorities with strong market linkages to the area in the future. In this context it is important to consider the comparative environmental constraints in surrounding areas and in West Dorset and Weymouth & Portland. Evidently there is a duty of care and responsibility on these authorities, which are relatively unconstrained, to take an active role in meeting housing needs from elsewhere.

3.5 - Is the latest assessment of housing robust and representative of needs of the two authority areas?

- 1.19 Following our responses to questions 3.2 – 3.4 we contend that the Local Plan's proposed requirement of 775 dpa does not represent the full objectively assessed need for housing. We would also contend that the distribution derived from the evidenced base assessment does not fully reflect evidence of need.
- 1.20 A review of historic rates of development⁶ reveals that the two authorities have delivered almost 720 dwellings per annum between 2001 and 2011 and almost 800 dwellings per annum over the more buoyant economic period of 2001 and 2007. Indeed prior to 2006/07 the authorities collectively delivered levels of development which peaked at over 900 dwellings in 2005/06. The proposed plan target therefore fails to respond positively to the NPPF's requirement to 'boost significantly' the supply of housing.
- 1.21 Recognising that the PBA Assessment primarily bases its assessment of future need on historic demographic trends it is important consider these in the context of the planning policy context in which these historic trends are based. This consistently reveals that policy targets have represented a constraint based approach to meeting housing needs. This will evidently have impacted upon the extent to which the population has been able to grow and households form. The approach taken to project forward based on historic demographic trends therefore fails to recognise the full impact of these historical policy constraints and on this basis is likely to perpetuate a constraint based assessment of need.
- 1.22 The evidence within the SHMA does not adequately explain how market signals, and in particular the need for affordable housing, has been taken into account in deriving the OAN. It is apparent from a review of the market signals identified within the PPG that

⁶ Figure 2.2 of Turley Underpinning Evidence Review and Critique submitted alongside consultation response to Further Proposed Changes, September 2014

there is evidence of worsening trends indicating that supply has failed to keep pace with demand. This has manifested itself in a sustained affordability challenge within the two authorities.

1.23 The SHMA Part 2 report identifies a total need for 785 affordable houses per annum across the Plan area (362 in West Dorset and 423 in Weymouth & Portland). We have concerns around the methodological approach applied subsequent to this calculation of affordable needs which reduces this need to 234 dwellings per annum and its compliance with the PPG as set out in our appended report to the Further Proposed Consultation stage:

- Applying an approach to assuming that higher proportions of income are spent on housing costs will contribute further to driving households into housing need and/or have implications for their quality of life. This should not form the premise for positive planning and is not supported by the NPPF and will evidently only serve to further exacerbate the acknowledged national 'housing crisis'⁷.
- Whilst it is acknowledged that the Private Rented Sector (PRS) has played an important role in meeting the needs of those households whose needs are not being met in other tenures over recent years it is not necessarily sustainable to assume this will continue in the future. Indeed it is noted that in 2013/14 median rents in both authorities for 2 bedroom properties were higher than the national average⁸. It is important to recognise that neither the Appendix 2 of the NPPF, nor the PPG recognise this sector as affordable housing.

1.24 It is apparent from the conclusion reached within the SHMA (Part 2) 2014 that even taking into account the above the quantum of assessed need within each of the authorities does not reflect the OAN spilt within the Part 1 report. This strongly suggests that the need for affordable housing will not be met on the basis of the area from which they originate, the result being the displacement of residents outside of local market geographies.

1.25 Taking into account the evidence presented within the SHMA it is apparent that the historic level of provision, across the two authorities, has clearly proven inadequate to address affordable housing needs historically. Whilst it is recognised that meeting affordable needs in full will be challenging it is apparent that a failure to respond positively by setting a requirement which only marginally exceeds that consistently delivered in more positive economic times will only exacerbate the problem rather than work towards addressing it.

1.26 On the basis of our answers to questions relating to Matter 3 we are of the view that the housing requirement established within the Plan does not provide for the full OAN and fails to adequately reflect needs within the two authority areas. There is compelling evidence that higher levels of job growth are likely within the area than can be supported through the scale of labour-force growth identified within the SHMA Part 1 report associated with the provision of 775 dwellings per annum. The Council's updated

⁷ The Lyons Housing Review 'Mobilising across the nation to build the homes our children need', 2014

⁸ Figure 4.1 of Turley Appendix submitted alongside consultation response to Further Proposed Changes, September 2014

evidence base fails to adequately justify or evidence likely future job growth within this undermining the weight which can be placed upon the derived policies in the Plan. It is equally apparent that the Plan does not take a sufficiently positive approach to address rather than exacerbate evidenced affordability issues which will continue to challenge the ability of the authorities to retain younger working age households.

3.6 - Is the phasing regime and housing trajectory realistic, appropriate and deliverable and capable of providing an adequate supply of housing land?

- 1.27 Once extant planning permissions are built out the housing trajectory is reliant upon local plan allocations and large identified sites from coming forward to primarily provide housing supply.
- 1.28 This over reliance on large, complex sites in the first five years is in our view neither reliable nor substantiated by objective evidence on delivery. The implication of this will inevitably be that the Council will not be able to maintain a five year land supply from the point of adoption.
- 1.29 In order to ensure there is sufficient land supply over the plan period, particularly given the increased housing requirement, the Councils will need to allocate additional deliverable sites within the Local Plan to boost significantly the supply of housing in accordance with the NPPF. Our client seeks the reinstatement of the extended SHER 1 Barton Farm site, which is shown in our previous representations to be available, deliverable and developable, to assist with providing an adequate supply of housing land.

3.7 - Would the LP provide a 5 year housing land supply on adoption having regard to the need for an appropriate buffer (NPPF paragraph 47)?

- 1.30 We contend that the Local Plan will not provide a five year housing land supply from the point of adoption. The Council's supply position is reliant on SHLAA sites and windfall sources that have not been substantiated by compelling evidence (as required by the NPPF) that they will continue to contribute in accordance with the requirements of the NPPF and Planning Practice Guidance.

3.8 - What are the implications of adopting an overall housing target for 5 year housing land supply calculations for the individual authorities?

- 1.31 It is noted that the primary emphasis for the first five years is for the Councils to rely upon sites in Weymouth & Portland rather than in West Dorset. This creates a real risk that the supply is not being identified, or able to come forward, to meet housing needs where it is required.
- 1.32 Whilst an overall housing requirement may be appropriate over the course of the plan period, we contend that there is still the need to ensure that the respective administrative areas are required to maintain separate five year land supply

assessments. Without any recognition of this in the plan as now proposed the plan cannot be effective in meeting individual housing needs across the plan area as supply in one area will be used to meet need in another. The plan area is so large that this will not be effective in meeting the housing needs of the individual settlements.

- 1.33 This is particularly acute for Sherborne which has greater relationships with Yeovil and Dorchester than any of the settlements within the Weymouth & Portland administrative area yet does not have any significant new allocations proposed (following the deletion of the extended SHER1) to meet the town's housing needs over the plan period. No reasonable evidence is presented that confirms that any new housing at Yeovil or elsewhere will be sufficient to help address the specific needs of Sherborne.

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