



Dorset Council **Local Plan**



Functional Areas

Background Paper



Dorset
Council

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1. Introduction

- 1.1.1. The draft Dorset Council Local Plan includes a spatial strategy for the distribution of future growth, a key element of which is the distribution of housing development.
- 1.1.2. The draft Local Plan identifies a 'local housing need' figure for Dorset derived from the Government's standard methodology, which is set out in national planning guidance. The draft Local Plan also recognises that the Government is currently considering changing the way in which housing targets are calculated.
- 1.1.3. The spatial strategy has been developed having regard to a number of factors, one of which is the way housing markets and local economies differ and interact across and beyond Dorset.
- 1.1.4. This background paper pulls together the findings of various studies on local housing and economic markets, in particular the Housing Market Areas (HMAs) and Functional Economic Market Areas (FEMAs) in Dorset, Somerset and the New Forest. Most of this information is already available in Strategic Housing Market Assessments (SHMAs) and other evidence, including research undertaken for the Regional Spatial Strategy for the South West.
- 1.1.5. The spatial strategy has also been developed having regard to the role and function of individual settlements within the Dorset Local Plan area. A settlement hierarchy has been derived from a review of the hierarchies in existing adopted local plans for the former Boroughs and Districts and detailed consideration of the function of each settlement. The derivation of the settlement hierarchy is explained in more detail in a separate background paper.

2. Housing market areas and functional economic market areas

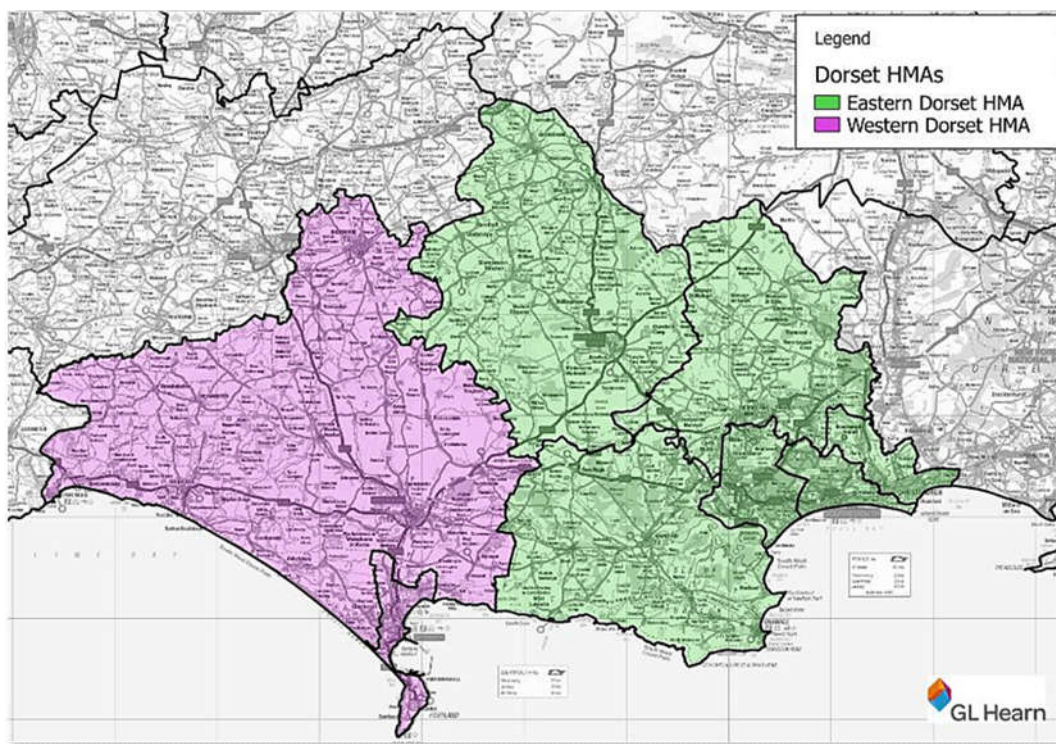
2.1.1. A significant amount of work has previously been undertaken to establish an appropriate spatial strategy for the local plans produced by the former boroughs and districts across Dorset and by neighbouring authorities.

2.2. Eastern Dorset Strategic Housing Market Assessment

2.2.1. The Eastern Dorset Strategic Housing Market Assessment (SHMA)¹ produced by GL Hearn in October 2015 is a good starting point for considering the Housing Market Areas (HMAs) in Dorset. The conclusion of that report identified eastern and western housing market areas, as reproduced in Figure 2.1.

Figure 2.1: Dorset HMAs as defined in the 2015 Eastern Dorset SHMA © Crown copyright and database rights 2020 OS 0100060963

2.2.2.



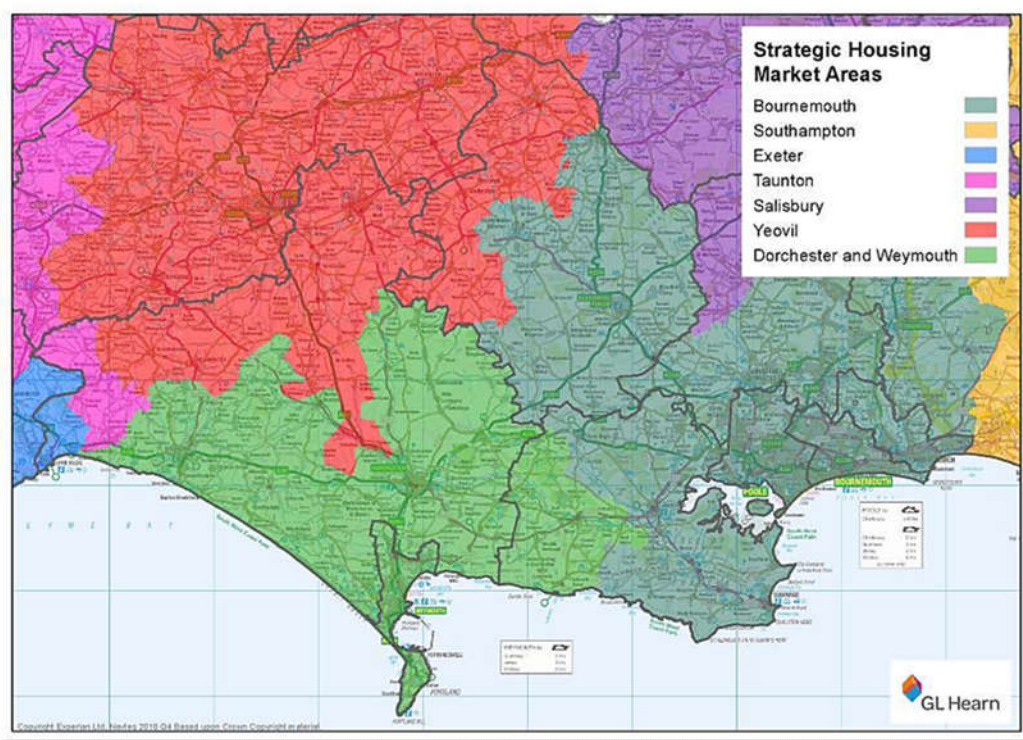
¹ Eastern Dorset Strategic Housing Market Assessment, October 2015, GL Hearn Limited

<https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/joint-planning-policy-work/pdfs/shma/2015/eastern-dorset-hma-2015-strategic-housing-market-assessment.pdf>

s the former areas covered by West Dorset district and Weymouth & Portland borough in the Western Dorset HMA and the former district / borough areas of Purbeck, East Dorset, North Dorset, Bournemouth, Christchurch and Poole in the Eastern Dorset HMA. However, the supporting text recognises that this is a 'best fit' to the local authority boundaries at the time which provided a practical solution to support policy development.

2.2.3. The 'starting point' for GL Hearn's analysis was the national research undertaken for the Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This was based on 2001 Census data. The CURDS-defined strategic HMAs reviewed within the GL Hearn report is reproduced in Figure 2.2.

Figure 2.2: Dorset HMAs as defined by CURDS © Crown copyright and database rights 2020 OS



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2.2.4. This research confirms that there are two main housing markets in the County, namely 'Bournemouth' (based on the Bournemouth, Christchurch and Poole conurbation) and one focused on Dorchester and Weymouth. The CURDS analysis also suggests that the influence of the Dorchester / Weymouth HMA extends into Purbeck.

2.2.5. There are a number of important differences around the edges of Dorset, in particular:

- The influence of Salisbury in the northern part of the former East Dorset District;
- The influence of Yeovil in the northern part of the former West Dorset District and the western part of the former North Dorset District; and
- The influence of a number of different HMAs in the far west of the county beyond Bridport.

2.2.6. The GL Hearn study and other more recent studies took account of more recent information from the 2011 Census, particularly on migration and commuting. The conclusions regarding HMA geographies are set out in paragraphs 2.52 to 2.54 of the report, which state:

2.2.7. *"In Dorset however, both migration and commuting data suggests an East-West distinction within the County; and with some areas in the north relating more towards Salisbury and Yeovil. This is consistent with how market areas have previously been defined. The analysis clearly identifies:*

- *An Eastern Dorset market which includes Bournemouth, Poole and Christchurch and parts of both Purbeck, Eastern and North Dorset including Wimborne, Blandford Forum, Wareham and Swanage;*
- *A Western Dorset market which includes Weymouth and Portland and Dorchester, and stretches east to Bridport.*

2.2.8. *"In the case of both markets, the migration, travel to work and house prices evidence all broadly align.*

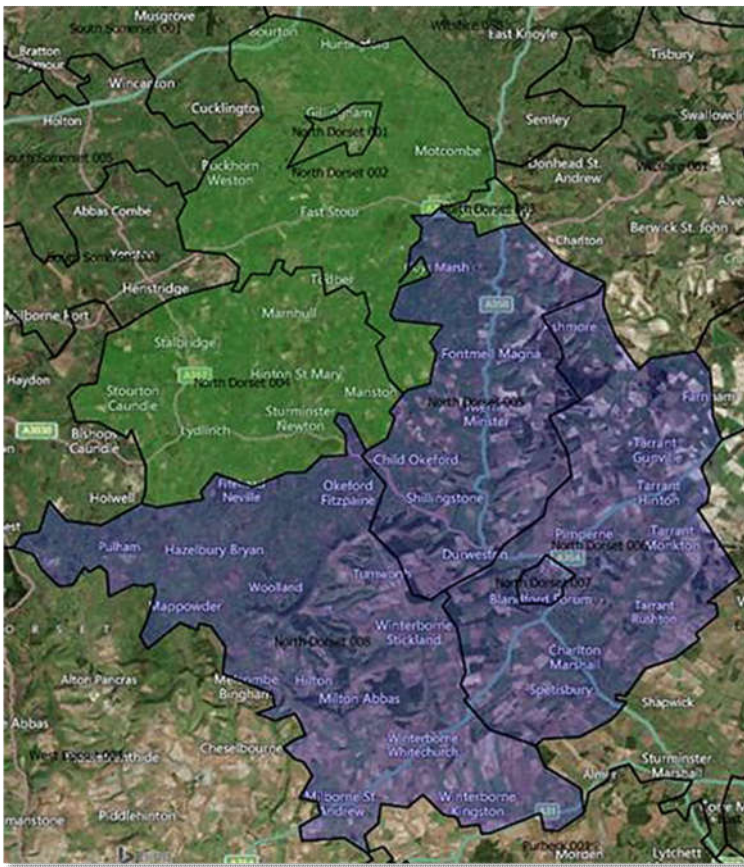
2.2.9. *The analysis suggests that parts of Purbeck and North Dorset relate to different market areas, with Crossways and Wool falling within the Western market as well as Sturminster Newton; Sherborne falling more within a Yeovil-focused market; with Gillingham and Shaftesbury falling in a Salisbury-focused market. Blandford Forum falls within the Eastern Dorset market."*

2.2.10. Commuting patterns show that most of the former East Dorset District falls within the Eastern Dorset HMA, although the CURDS analysis shows that the far north of this area (around Sixpenny Handley and Cranborne) also looks towards Salisbury. However, this is not mentioned in the East Dorset Summary Report also produced by GL Hearn in August 2015².

² Eastern Dorset Strategic Housing Market Assessment – East Dorset District Summary, August 2015, GL Hearn <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/joint-planning-policy-work/pdfs/shma/2015/east-dorset-summary-report.pdf>.

2.2.11. The North Dorset Local Plan Part 1 refers to a 'north-south' divide in the district with

a dividing line running from north-east to south-west across the centre of the former District. Generally to the north, settlements look towards Yeovil, Salisbury and the A303 / A30 corridor and to the south, settlements look towards Bournemouth, Christchurch and Poole. The geographical extent of these areas is mapped within the North Dorset District Summary Report³ and is reproduced in Figure 2.3.



2.2.12. This suggests that Gillingham, Shaftesbury, Sturminster Newton and

Stalbridge look more to the north (and to Yeovil and Salisbury) than they do towards Bournemouth, Christchurch and Poole.

Figure 2.3: Housing markets in North Dorset © Crown copyright and database rights 2020 OS 0100060963

³ Eastern Dorset Strategic Housing Market Assessment – North Dorset District Summary, August 2015, GL Hearn

<https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/joint-planning-policy-work/pdfs/shma/2015/north-dorset-summary-report.pdf>.

2.3. Western Dorset Strategic Housing Market Assessment

- 2.3.1. The most up-to-date SHMA for the former West Dorset District and Weymouth & Portland Borough was produced by Peter Brett Associates (PBA) in July 2014⁴. Part 1 of this report looked at overall housing need with paragraph 2.5 saying that:
- 2.3.2. *"the HMA is already defined in earlier evidence as the two local authority districts combined. This geography also mirrors that developed for CLG by CURDS in 2010. That work confirms that Weymouth & Portland together with West Dorset form a single housing market area. This conclusion applied when CURDS considered either single tier or strategic HMAs; for both geographies the two districts were found to be a single Housing Market Area."*
- 2.3.3. The 'earlier evidence' mentioned includes the SMHA undertaken by Fordham Research Ltd in 2008⁵. Key Finding 1 in that report is that "the HMA should comprise the whole local authorities of West Dorset and Weymouth and Portland".
- 2.3.4. The report recognises that the situation on the ground is more complex and paragraph 1.1.1 further explains: "The evidence suggests that the housing market areas in Dorset do follow the broad sub areas identified in the DTZ study. However, for ease of monitoring in the future and following government advice, it is suggested that future analysis of data should follow Local Authority boundaries within the main Dorchester / Weymouth HMA, rather than the core, periphery and North West Dorset sub areas used in this study". The 'DTZ Study' map is reproduced in Figure 2.4.

⁴ Weymouth & Portland and West Dorset Councils 2014 Strategic Housing Market Report – Part 1: Objectively Assessed Housing Needs, July 2014, Peter Brett Associates

<https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/west-dorset-and-weymouth-portland/evidence-base/pdfs/sustainability/west-dorset-weymouth-and-portland-2014-strategic-housing-market-report-part-a.pdf>

⁵ Dorchester / Weymouth Strategic Housing Market Assessment – Final Summary Report, June 2008

<https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/west-dorset-and-weymouth-portland/evidence-base/pdfs/housing/dorchester-weymouth-strategic-housing-market-assessment-shma-final-summary-report.pdf>

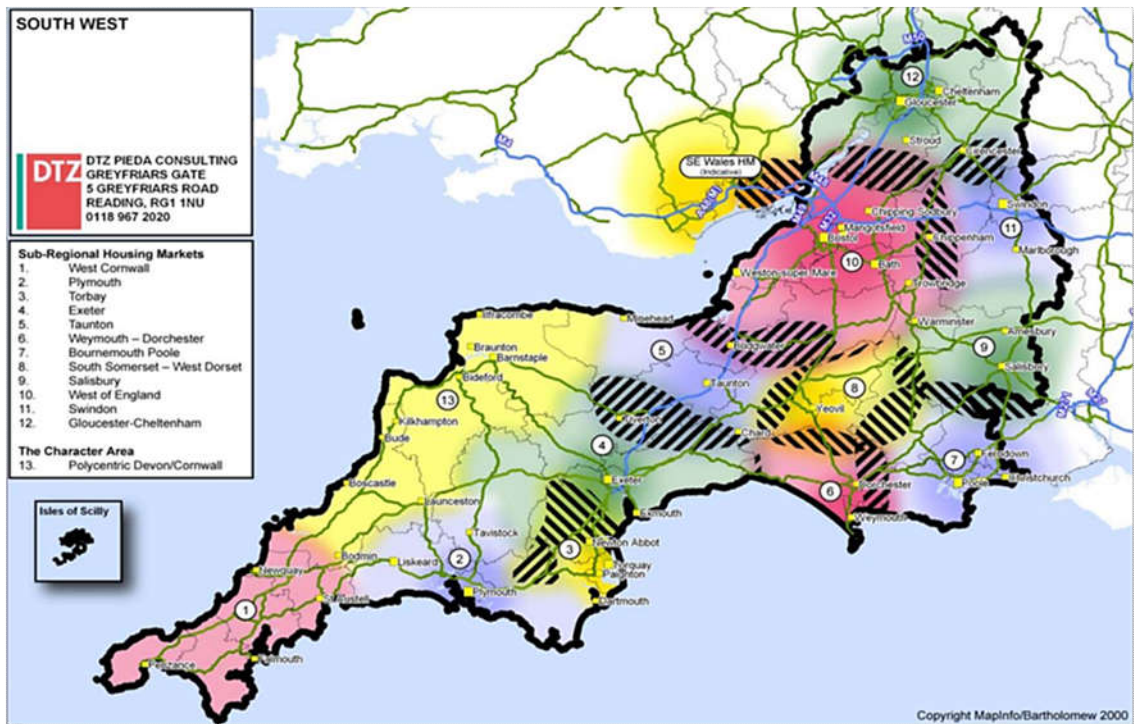


Figure 2.4: HMAs in the South West from the DTZ Study © Crown copyright and database rights 2020 OS 0100060963

2.3.5. This confirms not only the interaction between the Weymouth-Dorchester and Bournemouth-Poole HMAs, but also the influence of Yeovil and Salisbury in the north of the county and the coming together of the Weymouth / Dorchester, Exeter and Taunton HMAs in the far west of Dorset.

2.4. Other strategic housing market assessments

2.4.1. The situation in Western Dorset has been examined more closely in a more recent report looking at HMAs in Somerset, which was produced by Opinion Research Services (ORS) in September 2015⁶. This study looked at the HMAs across the Somerset area with the key findings reproduced as Figure 2.5. This shows the

⁶ Housing Market Areas and Functional Economic Market Areas in Somerset, September 2015, ORS

<https://www.southsomerset.gov.uk/media/1317/housing-market-areas-functional-economic-market-areas-sep-15.pdf>

influence of Yeovil in the northern part of West Dorset and also defines a separate, smaller HMA centred on Bridport in the far west of Western Dorset. It also suggests that the Bournemouth / Poole HMA covers the majority of North Dorset.

Figure 2.5: HMAs in Somerset and surrounding area – ORS 2015 © Crown copyright and



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2.4.2. GL Hearn produced a SHMA for New Forest in September 2014⁷. The CURDS analysis for the New Forest, indicates that the district forms part of three HMAs to the east, north and west of the district, which are (respectively) Bournemouth / Poole, Salisbury and Southampton. This map showing these findings is reproduced as Figure 2.6.

⁷ New Forest Strategic Housing Market Assessment, September 2014, GL Hearn

http://forms.newforest.gov.uk/ufsatc/form_docs/Policy/Evidence%20Base/HOU%20-%20Housing/01%20Submission%20Documents/HOU04%20New%20Forest%20Strategic%20Housing%20Market%20Assessment%20GL%20Hearn%202014.pdf?ufsReturnURL=https%3A%2F%2Fforms.newforest.gov.uk%3A443%2Fufsatc%2Fufsreturn%3Febz%3D1_1555412110938

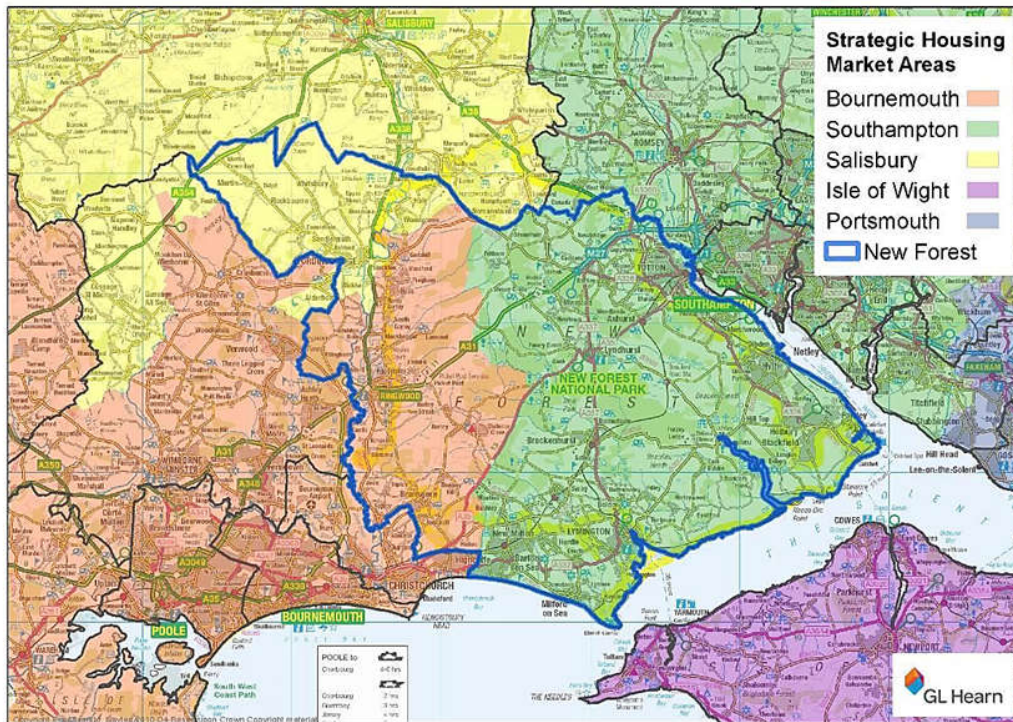


Figure 2.6: HMAs in the New Forest – GL Hearn 2014 © Crown copyright and database rights 2020 OS 01000

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2.5. Functional economic market areas and travel to work areas

- 2.5.1. Functional Economic Market Areas (FEMAs) are generally much broader areas relating to economic activity and patterns of travel to work. Work initially undertaken for the South West Regional Spatial Strategy was developed further and used as the baseline evidence for the Heart of the South West LEP Strategic Economic Plan, prepared by PBA in October 2013.
- 2.5.2. This study identifies a broad A303 Corridor Economic Area, extending into the northern part of Dorset. This corridor also shows considerable overlap with neighbouring economic areas in Somerset, as shown in Figure 2.7.
- 2.5.3. Travel to Work Areas (TTWAs) have been developed to approximate self-contained labour market areas. These are areas where most people both live and work and therefore relatively few commuters cross a TTWA boundary on their way to work. As such they are based on statistical analysis rather than administrative boundaries.

2.5.4. From the 2011 Census data, a total of 151 TTWAs were identified in England. Dorset is covered by 7 TTWAs as shown in Figure 2.8. If some of these areas are combined they broadly align with the housing market areas identified through other pieces of work.

Figure 2.7: Functional economic market areas in Somerset © Crown copyright and database rights 2020 OS 0100060963

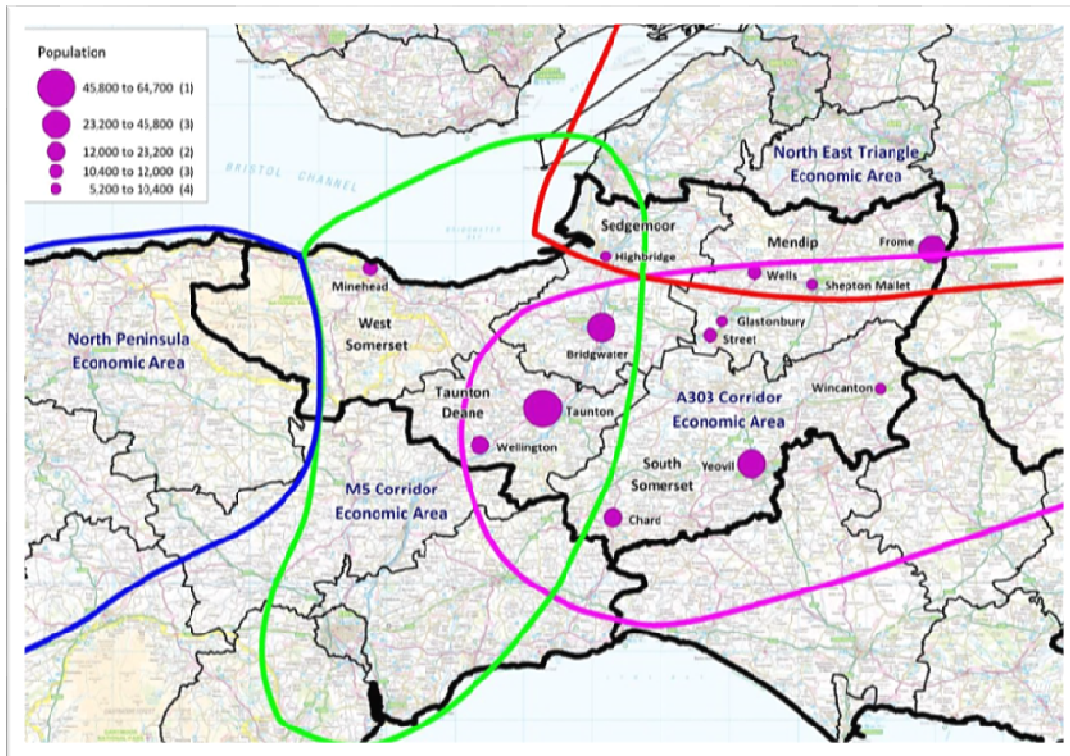


Figure 2.8 : Travel to work areas © Crown copyright and

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3. Conclusions

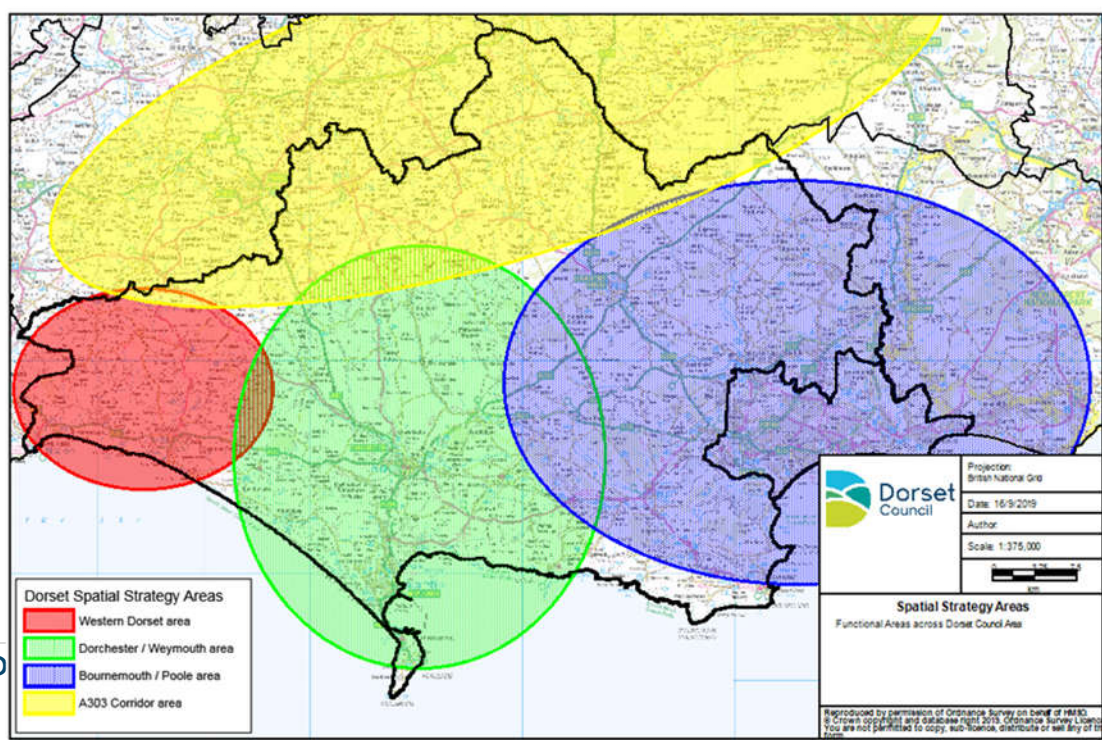
3.1.1. In conclusion, the various studies that have been undertaken show similarities, but also some differences. All the studies agree that there are two main HMAs in Dorset, namely:

- The Bournemouth – Poole HMA, centred on the conurbation and extending into eastern Dorset and the western part of the New Forest; and
- The Dorchester – Weymouth HMA, covering much of western Dorset.

3.1.2. Earlier studies indicated that there was some overlap between these two HMAs and later work suggests that the Dorchester-Weymouth HMA has a stronger influence in the far western part of the former Purbeck District.

- 3.1.3. The studies all show that the northern part of Dorset is influenced by the Yeovil and Salisbury HMAs, but there are some differences regarding the extent of this influence. The Salisbury HMA also extends into the New Forest. Work on FEMAs shows that the more strategic A303 Corridor exerts a wider economic influence across the northern part of Dorset.
- 3.1.4. In the far western part of the former West Dorset District, earlier studies show the HMAs of Dorchester and Weymouth, Exeter and Taunton coming together. However, later work shows a smaller, separate HMA based on the Bridport / Lyme Regis / Beaminster area and a TTWA centred on Bridport.
- 3.1.5. The evidence discussed above provides a clear picture of how the housing and economic markets in Dorset generally function. The differences and similarities between the studies indicate that housing and economic markets overlap and / or interact at their peripheries, as originally suggested by the DTZ work undertaken for the South West Regional Spatial Strategy.
- 3.1.6. The evidence points to four housing and economic markets operating in Dorset, which are:
- in the Bournemouth-Poole area;
 - in the Dorchester-Weymouth area;
 - along the A303 Corridor; and
 - in the Western Dorset area, centred on Bridport.
- 3.1.7. The broad extent of these markets is shown diagrammatically in Figure 3.1.

Figure 3.1: Representation of the four housing and economic markets in and beyond the Dorset



3.1.8. These broad market areas have been refined to establish clearer boundaries within the Dorset Council area and have been renamed as:

- South Eastern Dorset;
- Central Dorset;
- Northern Dorset; and
- Western Dorset.

3.1.9. Each parish has been assigned to a particular market area, as shown in Figure 3.2, although it is recognised that housing development at the periphery of some market areas may help to meet the needs of two or more different housing markets. For example, although Crossways and Moreton Station are shown in the Central Dorset market area, housing development here will also contribute towards meeting the housing needs of South Eastern Dorset.

Figure 3.2: Representation of the functional housing and economic areas in Dorset © Crown copyright and database rights 2020 OS 0100060963

