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SENT BY E-MAIL AND POST

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Dear Sir / Madam

NORTH DORSET PRE SUBMISSION LOCAL PLAN PART 1 CONSULTATION

1. Introduction

1.1 Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. We would like to submit the following representations and in due course appear at the Examination in Public to discuss these matters in greater detail.

1.2 The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

2. Duty to Co-operate

2.1 Section 110 of the Localism Act 2011 provides for a duty on Local Planning Authorities (LPA) to co-operate with each other. This co-operation should be a constructive and active engagement as part of an on-going process to maximise effective working on the preparation of Development Plan Documents (DPD) in relation to strategic matters including sustainable development that would have significant wider impacts. At examination of DPDs LPAs will have to provide evidence that they have complied with this duty if their plans are not to be rejected by an examiner.

2.2 This Duty to Co-operate is reinforced by Paragraphs 17, 157 and 178 of the National Planning Policy Framework (NPPF), whereby neighbouring authorities should work jointly together and co-operate to address planning issues which cross administrative boundaries and on matters that are larger than local issues. Moreover in accordance with Paragraph 181 of the NPPF, LPAs are expected to demonstrate evidence of having effectively co-operated to plan for issues with cross boundary impacts when their DPDs are submitted for examination. This co-operation should be continuous from engagement on initial thinking through to implementation.

2.3 Whilst neither the Localism Act nor the NPPF define co-operation, the Planning Inspector, Andrew Mead, in finding that the Duty to Co-operate on the North London Waste Management Plan had not been satisfied by the respective London Borough Councils involved, referred to the dictionary definition meaning *"to work together, to concur in producing an effect"*. The Inspector also noted that the NPPF refers to co-operation rather than consultation, therefore *"it is reasonable to assume that engagement as part of co-operation is more than a process of consultation"* (Paragraphs 22-25 Appendix 1 North London Waste Plan Inspectors Report March 2013).

2.4 North Dorset District Council has five neighbouring LPAs namely Purbeck District Council, East Dorset District Council, West Dorset District Council, South Somerset District Council and Wiltshire Council. When the North Dorset Local Plan is submitted for examination, the Council will have to demonstrate collaborative working within this context of five neighbouring authorities.

2.5 North Dorset is also located at the junction of three Housing Market Areas (HMA) as defined by the former Regional Spatial Strategy (RSS) for the South West. These HMAs are Bournemouth & Poole HMA, Salisbury HMA and South Somerset – West Dorset HMA. North Dorset together with Bournemouth, Poole, Christchurch, East Dorset, North Dorset and Purbeck Council's form the Bournemouth and Poole HMA.

2.6 However just as LPA administrative areas are not self-contained entities with border controls neither are HMAs. The DCLG Advice Note *"Identifying Sub-Regional Housing Market Areas"* published in March 2007 in Paragraph 6 states that *"sub-regional housing market areas are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work"*. The updated SHMA report for the Bournemouth & Poole HMA identified that the northern part of North Dorset District including the towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge look towards Yeovil and Salisbury whilst the southern part of the District including Blandford lies within the periphery of the Bournemouth & Poole HMA. These important functional linkages should be considered when formulating housing and development policies.

2.7 The Council must co-operate with all its neighbouring authorities to ensure that all housing needs are addressed. Since the abolition of the Regional Assemblies and the revocation of their respective RSSs, there has been a significant drop in the collective level of housing provision envisaged by LPAs

across England. Since the revocation of the RSS for the South West on 20th May 2013, the overall proposed housing provision across the region is estimated to have fallen by more than - 18%. Such a substantial reduction in housing provision across the region could have significant implications for future housing provision in North Dorset.

2.8 In its "Duty to Co-operate Statement" dated November 2013, the Council states "the Local Plan makes adequate provision for identified need for housing in North Dorset, the Council does not need to look outside its administrative boundary to make further provision". The Council goes on to confirm under "the current situation in neighbouring authorities" section that "there is no requirement in North Dorset to meet unmet needs". However at this time it is important that the Council does not assume that just because its neighbouring authorities have not drawn attention to any matters of a strategic nature, such strategic pressures do not exist. If neighbouring authorities are not adequately assessing housing needs and addressing strategic matters, these pressures could impinge upon North Dorset.

2.9 The Memorandums of Understanding with other Dorset authorities and South Somerset District Council and the Statement of Common Ground with Wiltshire are dated before the examination of Local Plans and Core Strategies prepared by these neighbouring authorities started. Since the commencement of these Examinations, much uncertainty about the soundness of these plans has arisen as evidenced below :-

2.10 The Inspector's Interim Report on the Wiltshire Core Strategy dated 2nd December 2013 identifies that the proposed 37,000 dwellings is too low as an objectively assessed housing need across the County. It is suggested that the objectively assessed housing need could be 44,000 dwellings with a possible housing requirement expressed as a minimum at the upper end of a range of 35,800 – 42,100 dwellings. At this time it is not known whether or not such an increase in housing numbers could be accommodated wholly within the County, if not as a neighbouring authority North Dorset may be asked to accommodate a proportion of this housing need especially in view of the close inter-relationship between the northern part of the District with the Salisbury HMA.

2.11 The South Somerset Local Plan was suspended following Examination Hearing Sessions held in May / June 2013. The Inspector's Preliminary Findings raised concerns about delivering new housing growth and directions of growth in market towns and rural centres in particular Yeovil, Ilminster, Wincanton. On 10th January 2014, the Council concluded a consultation on proposed main modifications. Again the inter-relationship between the northern part of North Dorset District and Yeovil may mean that the modified proposals have strategic cross boundary implications for North Dorset as a neighbouring authority.

2.12 West Dorset District Council has prepared a joint Local Plan with Weymouth & Portland District Council. On 22nd January 2014 the Inspector appointed to examine the joint Local Plan held an exploratory meeting to discuss his initial concerns on certain aspects in particular the Duty to Co-

operate and housing provision of the Plan and consequentially its soundness. The Inspector is concerned that that the Memorandum of Understandings are merely documents "agreeing to agree" rather than an effective strategy for dealing with cross border strategic matters. This criticism is also true of North Dorset's Memorandums of Understanding and Statement of Common Ground with neighbouring authorities. However more fundamental is concern about supporting evidence in particular an out of date SHMA originating from the RSS for South West and the appropriateness of the up dated report. Again this same criticism can be levelled at the evidence base for the North Dorset Local Plan (please refer to Housing Requirement section below). Finally the joint Local Plan does not meet the housing needs for West Dorset associated with problems of bringing forward housing sites. If in West Dorset there is insufficient housing to accommodate economically active residents, future economic growth may be dependent on in-commuting, which is unsustainable. This failure to meet the housing needs of West Dorset may impact upon North Dorset as a neighbouring authority.

2.13 The adopted Purbeck Local Plan proposes 2,400 dwellings (120 dwellings per annum) between 2011 – 2031, which is substantially below 3,400 dwellings (170 dwellings per annum) identified as the objectively assessed housing need in the SHMAA report. The Inspector's report dated 31st October 2012 explained that the adopted plan was only an appropriate basis for the short term and a partial review was urgently required to commence in 2013. The Inspector's over-riding view was that the District could accommodate a higher level of housing growth accompanied by appropriate mitigation measures to meet more fully its needs in the medium to long term. However at this time, it is not known whether or not the total difference between 120 and 170 dwellings per annum will be accommodated within Purbeck District Council. If not as a neighbouring authority North Dorset may be asked to assist in meeting this unmet housing need.

2.14 East Dorset District Council has prepared a joint Core Strategy with Christchurch District Council. The Examination Hearing sessions were held in September 2013. Although the Councils have consulted on proposed main modifications (ended on 22nd January 2014), the Inspector's Final Report has not yet been received.

2.15 In conclusion, the Duty to Co-operate comprises of two distinctive parts, which are irrevocably linked. Firstly legal compliance associated with the process and procedures of co-operation. So the Council must co-operate with all of its neighbouring authorities and other prescribed bodies to ensure legally compliance with the Duty to Co-operate under Section 33(A) of the Planning & Compulsory Purchase Act 2004 as amended by Section 110 of the Localism Act 2011.

2.14 Secondly the outcomes from such co-operation associated with the NPPF tests of soundness. Many unresolved issues exist in neighbouring authorities as discussed in the preceding paragraphs, which may have significant implications on North Dorset. Whilst these issues remain unresolved the Duty to Co-operate has not been satisfied in the preparation of the North Dorset Local Plan and therefore the plan is unsound.

3. Plan Period

3.1 The plan period proposed is 2011 - 2026, which if the plan is adopted in 2014 would leave only twelve remaining years. The NPPF in Paragraph 157 advises that plans should preferably run for a period of fifteen years from the date of adoption.

3.2 Moreover the time periods covered by supporting evidence is of differing and varying lengths, which is confusing and makes comparison of relevant figures difficult.

3.3 Last year following the suspension of the Examination of the West Northamptonshire Joint Core Strategy, the Joint Planning Unit was requested by the Inspector to extend its plan period beyond 2026. The current Main Modifications consultation proposes to extend the plan period from 2026 to 2029.

3.4 North Dorset District Council provides no reasoned justification for its shortened plan period. Therefore the Council should consider extending the proposed plan period to at least 2029 or even longer and increase its housing requirement on a pro-rata basis.

4. Housing Requirement

4.1 **Policy 6 : Housing Distribution** proposes 4,200 net additional dwellings (280 dwellings per annum) over the plan period 2011 - 2026. **Policy 2 : Core Spatial Strategy** proposes to focus growth on the four main towns of Blandford, Gillingham, Shaftesbury and Sturminster Newton setting out broad policy objectives under **Policies 16 – 19** with more detail to follow in the Local Plan Part 2 Site Allocations document except for the southern extension at Gillingham, which is defined as a strategic site allocation under **Policy 21**. Under **Policy 2** the remainder of the District is subject to countryside policies proposed to restrict development to essential rural needs only. These countryside policies are set out in greater detail under **Policy 20 : The Countryside**. Moreover under **Policy 2** existing settlement boundaries drawn around the four main towns are retained until the preparation of the Local Plan Part 2 Site Allocations document or a Neighbourhood Plan. Elsewhere throughout the District all existing settlement boundaries are removed, any future proposed development will be subject to the restrictive countryside policies of **Policies 2** and **20** unless changed by the Local Plan Part 2 Site Allocations document or a Neighbourhood Plan.

4.2 There is a concern that deferring site allocations and the revision of existing settlement boundaries around the four main towns until a later Local Plan Part 2 document creates uncertainty for both local communities and the development industry. The NPPF does not envisage a two part plan approach. In Examinations, Inspectors have raised concerns about such an approach, for example, the Central Lincolnshire Joint Local Plan, which was withdrawn from examination in December 2013.

4.3 The distribution of proposed housing under **Policy 6** is shown in the Table below :-

SETTLEMENT	TOTAL NO. DWELLINGS	NO. AFFORDABLE DWELLINGS
Blandford	960	380
Gillingham	1,490	500
Shaftesbury	1,140	450
Sturminster Newton	380	150
Sub Total	3,970	1,480
Elsewhere / Countryside	230	-
Total	4,200	1,480

North Dorset is described as a rural District so there is a concern that the proposed distribution of only 230 dwellings across the District outside of the four main towns will not be sufficient to meet housing needs in these areas.

4.4 Previously the RSS for the SW proposed 7,000 (350 dwellings per annum) for 2006 – 2026 in North Dorset. Although the RSS for the South West is revoked, it provided a context and a rigorous and independent approach to assessing housing needs. The Council has not adequately demonstrated the change in circumstances, which have led to the reduced housing requirement of only 280 dwellings per annum in the North Dorset Pre submission Local Plan.

4.5 Clause 5.9 of the “North Dorset District Council Housing Topic Paper” dated November 2012 states “the update SHMA report trend based data suggests household growth of around 273 per annum for the period 2011 – 2031 and so a housing delivery figure might be around 280 dwellings per annum (to take account of small vacancy rate)”. However the up-dated evidence is overly dependent on 2011-based population and household projections, which over emphasis the effects of the recession on household formation rates. At recent Examinations including South Worcestershire Development Plan and Lichfield Local Plan, a hybrid approach has been used whereby 2011-based data is applied up to 2021 and thereafter 2008-based data is used. Such a hybrid approach reflects a gradual return to established long term trends after an extraordinary period of recession.

4.6 The Christchurch & East Dorset main modifications consultation includes an increase in the housing requirement figure in order to correct the use of an unrealistically low vacancy rate and the exclusion of a second homes allowance in the calculation to convert household growth into dwellings in the up dated Bournemouth & Poole SHMA report. As the North Dorset calculation also contains this same error, a correction should be applied to the North Dorset housing requirement figure.

4.7 The Inspector examining the Weymouth & Portland and West Dorset Joint Local Plan has raised concerns about the appropriateness of an up dated SHMA based on an original SHMA dating from 2008 at a time when the RSS

for the South West existed. The up dated evidence for North Dorset is formulated on the same basis, therefore the same criticism applies.

4.8 Policy 7 : Delivering Homes sets out percentages for the housing mix on market (40% 1 & 2 bed and 60% 3+ beds) and affordable (60% 1 & 2 beds and 40% 3+ beds) housing developments for sites of more than 10 units as recommended in the "*Bournemouth & Poole HMA 2011 SHMA Update Summary Report for North Dorset District Council*" dated January 2012 by JG Consulting and CBA. However this policy proposal is inconsistent with housing mix typologies used in the viability assessments carried out by Three Dragons consultancy on behalf of the Council (refer to Viability section below). Therefore this policy has not been viability tested as required by the NPPF.

4.9 Policy 8 : Affordable Housing proposes on sites of more than 3 units 30% affordable housing provision on sites in Gillingham or 35% on the sustainable urban extension in Gillingham subject to viability. Elsewhere on sites of more than 3 units a 40% affordable housing provision is proposed. If less affordable housing is provided on a development, such schemes are subject to open book viability checking and future claw-back clauses in case viability improves over time. This proposed level of affordable housing provision is recommended in Clauses 6.14, 6.19 and 6.25 of the "*Conclusions and Recommendations*" of the "*North Dorset District Council Affordable Housing and Developer Contributions in Dorset Final Report*" dated January 2010 by Three Dragons. Unfortunately this report is now somewhat out of date and pre-dates the requirements for whole plan viability testing as set out in the NPPF. Therefore the Council has not proven **Policy 8** to be financially viable (refer to Viability section below). Under **Policy 8**, affordable housing will be provided as 70 – 85% affordable and / or social rent and 15 – 30% intermediate housing. However the up dated SHMAA report recommended 60% social rent, 26% affordable rent and 14% intermediate housing.

4.10 The Council's affordable housing need is identified as much higher than the numbers proposed in the Local Plan. The up dated SHMAA report identified 387 affordable housing units per annum (over the next 5 years) to meet need. Therefore the Council is not meeting in full this objectively assessed need as required by the NPPF. The Council have not provided evidence of fully exploring options to deliver more affordable housing or to justify curtailment of affordable housing provision. This is a concern as affordability is identified as a major issue in North Dorset. Table 1 of "*North Dorset District Council Housing Topic Paper*" dated November 2012 illustrates a house price to income ratio of 9.45.

4.11 Paragraph 47 of the NPPF emphasises that LPAs should continue to demonstrate a 5 years housing land supply, which is to be supplemented by an additional buffer of 5% to ensure choice and competition in the land market or where there has been a record of consistent under delivery of housing an additional buffer of 20%. The Council's latest SHLAA is dated 2011, this requires up dating to demonstrate that the Council continues to have a 5 year land supply including a 5% buffer.

4.12 In conclusion, there are a number of concerns about North Dorset's housing requirement, which include :-

- the two part plan approach ;
- the overall reduction in housing numbers ;
- not meeting affordable housing needs and housing needs beyond the four main towns ;
- inconsistencies between policy and recommendations made in evidence on housing type and tenure mix ;
- the lack of an NPPF compliant viability assessment.

Moreover the Council's objective assessment of housing need and 5 year land supply are based on sub-standard evidence bases. Therefore the North Dorset Pre Submission Local Plan is unsound.

5. Viability

5.1 If the North Dorset Pre Submission Local Plan is to be compliant with the NPPF, the Council needs to satisfy the requirements of Paragraphs 173 and 174 whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The Council should be mindful that it is inappropriate to set unachievable policy obligations. Under Paragraph 174 of the NPPF the Council must properly assess viability. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery.

5.2 The Council's viability testing is contained within the report "*North Dorset District Council Affordable Housing and Developer Contributions in Dorset Final Report*" dated January 2010 by Three Dragons. Unfortunately the Council's viability assessment is somewhat out of date and pre-dates the requirements for whole plan viability testing as set out in the NPPF.

5.3 There are a number of concerns about assumptions used in this out of date viability assessment such as :-

- Only £5,000 per plot allowance for Section 106 contributions;
- Sales figures based on 2009 data ;
- Development costs BCIS 2009 data ;
- Developer return only 15% of market value and 6% on development costs for affordable housing ;
- Insufficient costs for Lifetime Homes and Code for Sustainable Homes;
- Low denominations for professional fees, overheads, interest rates and marketing costs.

5.4 In Paragraph 3.25 of the Viability Report it is acknowledged that "*a larger planning obligations package reduces residual values across all sub markets and development density scenarios*". The same applies to any increase in overall development costs and additional costs resulting from Local Plan policy requirements.

5.5 An up to date whole plan viability assessment would include testing the following policies contained within the Pre Submission Local Plan :-

- Policy 3 - Climate Change ;
- Policy 7 - Delivering Homes ;
- Policy 8 – Affordable Housing ;
- Policy 13 – Grey Infrastructure ;
- Policy 14 – Social Infrastructure ;
- Policy 15 – Green Infrastructure ;
- Policy 22 – Renewable & Low Carbon Energy ;
- Policy 23 – Parking ;
- Policy 24 – Design ;
- Policy 25 – Amenity.

5.6 Paragraph 154 of the NPPF emphasises that “local plans should be aspirational but realistic”. This is re-enforced by the document “Viability Testing Local Plans Advice for Planning Practitioners” chaired by Sir John Harman and published in June 2012, which states “if the assessment indicates significant risks to delivery, it may be necessary to review the policy requirements and give priority to those that are deemed critical to development while reducing (or even removing) any requirements that are deemed discretionary. The planning authority may also consider whether allocating a larger quantity of land, or a different geographical and value mix of land, may improve the viability and deliverability of the Local Plan”. During the re-appraisal of viability assessments the Council may have to re-consider and choose between its policy requirements.

5.7 In conclusion the North Dorset Pre Submission Local Plan is unsound because it has not been viability tested in accordance with Paragraphs 173 and 174 of the NPPF.

6. Conclusions

6.1 For the North Dorset Pre Submission Local Plan to be found sound under the four tests of soundness defined by Paragraph 182 of the NPPF, the Local Plan must be positively prepared, justified, effective and compliant with national policy.

6.2 There are a number of concerns on the soundness of the Pre Submission Local Plan, these include :-

- unresolved strategic housing issues under the Duty to Co-operate ;
- a proposed plan period of less than 15 years on adoption of the Local Plan ;
- the two part plan approach ;
- a housing requirement of only 4,200 dwellings which does not meet affordable housing need or housing needs outside the four main towns;
- an inadequate evidence base in particular an out of date and inappropriate SHMAA, SHLAA and viability assessment.

6.3 It is hoped that these representations are of assistance to the Council in informing the next stages of the North Dorset Pre Submission Local Plan. If any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of HBF

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