

NORTH DORSET LOCAL PLAN 2011 – 2026 PART 1

EXAMINATION

Inspector's requests and points arising during hearing sessions

**Issue 1: Duty to Co-operate, Legal Requirements and the Council's
Broad Strategy**

**Note on: Reappraising the Council's Approach to Development in the
Countryside to Promote a Strong Rural Economy**

May 2015

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1. Recommendations

1.1 The recommendations arising out of this note are that:

- Settlement boundaries be retained around Stalbridge and the eighteen of the identified More Sustainable Villages (MSVs). These villages are: Bourton, Charlton Marshall, Child Okeford, East Stour, Fontmell Magna, Hazelbury Bryan, Iwerne Minster, Marnhull, Milborne St Andrew, Milton Abbas, Motcombe, Okeford Fitzpaine, Pimperne, Shillingstone, Stourpaine, Winterborne Kingston, Winterborne Stickland and Winterborne Whitechurch;
- Settlement boundaries around Less Sustainable Villages (LSVs) will be removed in accordance with the Spatial Strategy proposed through Local Plan Part 1 (LP1);
- Over the period 2011 to 2031, 826 dwellings out of the 5700 dwellings district wide total be built in Stalbridge and the eighteen MSVs. This equates to a requirement of 41 dwellings per annum;
- Retain the spatial strategy of meeting strategic employment needs at the four main towns, with local need being met through existing allocated employment sites in Stalbridge, the villages and the countryside, and through the LP1 exceptions policies;
- No additional employment sites be allocated in Stalbridge, the MSVs, LSVs and the countryside in LP1;
- Subsequently, if a specific need is identified in Stalbridge, the MSVs, LSVs or countryside locations then provision be made through either LP2 or Neighbourhood Development Plans (NDPs).

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2. Introduction

- 2.1 The submitted Local Plan Part 1 (LP1) indicates that a minimum of 230 dwellings will be provided in the countryside, comprising Stalbridge, the villages and the open countryside, during the period 2011 to 2026. At the hearings, the Inspector was concerned that this provision was simply the residual amount required to deliver the overall district provision of 4,200 dwellings by 2026, after account was taken of growth in the main towns. It did not reflect a measured need for housing in rural areas, which could help to promote a strong rural economy, as sought by paragraph 28 of the National Planning Policy Framework (NPPF).

3. Context

- 3.1 The Council's strategic policy framework has evolved through the preparation of the draft Plan to reflect the NPPF and cancellation of the Regional Spatial Strategy (RSS). This changing context, along with the need for reduced housing numbers evidenced by the 2012 SHMA update and the introduction of neighbourhood planning, has informed the Council's review of its spatial approach to growth throughout the District. This evolution in the strategic context is also evident in the approach to the planning of Stalbridge and the villages.
- 3.2 The submitted LP1 did not set a housing provision figure for the rural area, nor did it provide a categorisation of settlements based on an assessment of a relatively limited number of sustainability criteria. Instead, the Council proposed a more flexible approach to development outside of the four main towns, within a 'light touch' strategic policy framework.
- 3.3 This is seen to be a more holistic approach to achieving sustainable growth in the villages, rather than the somewhat mechanistic assessment that had been the feature of RSS. The focus was changed from primarily facilitating strategic housing growth in villages, to one aimed at making settlements more sustainable in a fuller sense and, in particular, in securing community facilities.
- 3.4 The District's Town and Parish Councils were consulted on a number of revised approaches in 2011. One of the options put forward – Option 3 – advocated this more responsive, light touch approach and was clearly supported by local communities, in preference to other options which proposed stronger steer in Stalbridge and the MSVs. A further round of public consultation in Autumn 2012 confirmed that the light touch approach was widely supported, in advance of the Core Strategy (now the LP1) being produced.
- 3.5 Support for neighbourhood planning was widely expressed through the consultations with local communities and the wider public. The evidence of the consultation with Town and Parish Councils in particular showed a considerable appetite for the production of NDPs and it was seen that the 'light touch' strategic

approach would facilitate their production. The subsequent take up by communities to produce NDPs results currently in coverage of 60% of the District by NDPs.

- 3.6 NDPs have a key role to play, when made, as they will form a part of the Development Plan. Additionally, the Council will invite the significant new active involvement of communities in preparation of LP2. This will provide a plan led statutory route to influencing and proactively planning the growth of their local area. Moreover, communities remain able to produce their own non-statutory guidance which, within limits, can be material considerations for the purpose of determining planning applications. Non-statutory guidance may include parish plans, village design statements, or design and development briefs.

4. Housing need in rural areas

A new approach

- 4.1 To answer the Inspector's concerns about meeting housing need in rural areas, the Council is proposing an approach which had previously been considered by members but not taken forward to the submission Plan. This option –at the time termed Option 3a – was considered following the 2011 consultation with Towns and Parishes and was seen to mitigate some of the deficiencies around the uncertainty of delivery and resource implications for implementing desired growth, which were associated with other options. The Option 3a is described in the Core Submission Document COD008 'Moving Forward with the Spatial Strategy', March 2012.
- 4.2 It is proposed that the approach put forward in Option 3a is taken forward in the Plan to address the Inspector's concerns. It retains the principle of maximum choice for local communities, which is clearly supported by the towns and parishes, and it proactively sets out and highlights in an 'indicative framework' for guidance purposes those settlements that are more sustainable in terms of population size, facilities and accessibility to services.

The retention of settlement boundaries

- 4.3 As part of his request that the Council should re-assess its policy approach to housing and employment in rural settlements, the Inspector has indicated that the Council should re-assess the need to retain settlement boundaries around the more sustainable settlements, as were identified in the 2003 Local Plan. It should be noted that this is a key feature of Option 3a.
- 4.4 The Council accepts the Inspector's advice and proposes to retain the settlement boundaries around Stalbridge and eighteen of the MSVs, in alphabetic order as follows:

Bourton, Charlton Marshall, Child Okeford, East Stour, Fontmell Magna, Hazelbury Bryan, Iwerne Minster, Marnhull, Milborne St Andrew, Milton Abbas, Motcombe, Okeford Fitzpaine, Pimperne, Shillingstone, Stourpaine, Winterborne Kingston, Winterborne Stickland and Winterborne Whitechurch.

- 4.5 Work had previously been undertaken to identify these MSVs, in line with the provisions in the NPPF. National policy¹ states that ‘to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are groups of smaller settlements, development in one village may support services in a village nearby. Evidence used to identify the MSVs included population size; range of services; and proximity to services (document SDS001 Sustainable Development Strategy Background Paper, November 2013).
- 4.6 The main advantage in retaining settlement boundaries is that this would allow for infill development to take place within their boundaries. The MSVs would be encouraged and supported (but not required) to prepare a NDP.
- 4.7 Some communities may be concerned that this would put their open spaces at risk, but Local Plan Policy 1.9 Important Open or Wooded Areas (IOWA) has been ‘saved’ although a more flexible approach to its application is being proposed. It would continue to apply until such time as it is superseded by either a neighbourhood plan or Local Plan Part 2 that will follow the adoption of Local Plan Part 1. Local communities in preparing a NDP may consider reviewing individual IOWAs and designating Local Green Space where appropriate.
- 4.8 The retention of settlement boundaries around the MSVs would be complemented by not retaining settlement boundaries around the LSVs. This would allow the countryside policy of restraint to be applied.
- 4.9 Those villages that are less sustainable would be discouraged (but not excluded) from preparing a NDP. The default policy position for these LSVs if no NDP was made would be one of restraint as the countryside policy (Policy 20) would apply.

Additional housing provision required in Stalbridge and the MSVs

- 4.10 Following the local plan hearings, the Council has commissioned JG Consulting to undertake further work (see Appendix 1) to understand housing need in Stalbridge, the MSVs, LSVs and open rural areas, both in terms of the needs of existing populations and the need for in-migrants to locate to the countryside. This analysis shows that 41 dwellings per annum of the overall District need for 285 annual dwellings to 2031 is generated specifically from rural areas. Over the 20 year period of LP1, that equates to 826 of the 5,700 dwellings required in total between 2011 and 2031.

¹ Paragraph 55, National Planning Policy Framework, DCLG (March 2012).

4.11 Within the rural areas, a significant proportion of supply to meet this need has already been identified (as set out in MHD003). Updated to 2031, this supply totals 553 dwellings and is derived from the following sources:

- Completions 2011 to 2014 88 dwellings
- Extant permissions 316 dwellings
- Windfall from occupational dwellings to 2031 56 dwellings
- Windfall from agricultural to residential to 2031 51 dwellings
- Proposals in emerging NDPs 42 dwellings
- Total 553 dwellings

4.12 However, the supply of housing in MHD003 assumed no delivery from housing on infill sites in Stalbridge and the MSVs (over and above completions and extant planning permissions). Therefore, a significant proportion of the housing need in rural areas can be met from the sources already identified and from infilling on SHLAA sites within retained settlement boundaries around Stalbridge and the eighteen MSVs.

4.13 As the Council is preparing a two part Local Plan, it is proposed that the policies and supporting text of the Local Plan will be amended to indicate that the 'residual need' in rural areas would be met from sites allocated either in LP 2 or neighbourhood plans. Figure 3.1 shows the derivation of the 'residual need' in rural areas which will be met through these mechanisms.

Figure 3.1: Housing Supply in Rural Areas

Housing Supply in Rural Areas	
Identified need for housing in rural areas 2011 to 2031	826
Sources of housing supply in rural areas from MHD003	
Completions 2011 to 2014	88
Extant Permissions	316
Windfall (occupational dwellings / permitted development)	107
Emerging neighbourhood plans	42
Total housing supply in rural areas from MHD003 sources	553
SHLAA sites within settlement boundaries	96
Identified housing supply in rural areas from all sources	649
Residual need in rural areas to be allocated in LP 2 / NPs	177

5. Employment need in rural areas

- 5.1 The Planning Inspector has asked the District Council to assess the need for growth in rural areas, re-assessing the policy approach to rural settlements looking at housing and employment together. In doing so, the approach sets out a stronger framework for LP2 and NDPs to meet needs in the rural area and re-assess the need to retain settlement boundaries.

Employment & Jobs

- 5.2 The District wide position on jobs and employment is set out in note MHD006. In summary, the Workspace Strategy 2012 Update (SED005) identified the need for 4,400 jobs over the period 2011 to 2031. The Strategy translated this jobs requirement into a need for 30.5ha of employment land over the same period. It indicated that 21.9ha would be required between 2011 and 2021 with 8.6ha required between 2021 and 2031.
- 5.3 In 2011, the availability of employment land in North Dorset was assessed as being 49.6ha across the district as a whole. Of this, 42.9ha was assessed as being available at the four main towns, sufficient to meet the requirements to 2031 as identified in the Workspace Strategy.

Spatial Approach

- 5.4 The Council has attached sufficient weight to achieving the objectives set out in the NPPF to build a strong and competitive economy, including support for a prosperous rural economy. Stimulating economic growth and supporting the recovery of the local economy is one of the Council's corporate priorities.
- 5.5 The approach to employment land and economic development, is to focus strategic growth at the four main towns as these are considered to be the most suitable locations for growth, being located on main roads and being existing centres of economic activity. At the four main towns there are a number of strategic employment sites capable of accommodating significant growth. In addition, there are a number of smaller sites where moderate expansion or redevelopment of existing business units could take place.
- 5.6 Policy 11 The Economy sets out the three main elements of the approach at the four main towns. These are:
- identifying and bringing forward key strategic sites;
 - identifying and bringing forward mixed use regeneration sites on the edge of town centres; and
 - improving town centres as the main focus for retail and leisure development.
- 5.7 The strategy of accommodating strategic levels of growth in the four main towns brings together employment opportunities with the vast majority of proposed

housing development to support an enlarged workforce. This strategy for the four main towns will deliver more sustainable and self-contained settlements to support the building of a strong, competitive economy. Growth at the four main towns will support a sustainable and prosperous rural economy.

- 5.8 The availability of more than sufficient employment land at the four main towns means that there is no need for additional employment land outside of the four main towns (including Stalbridge, the MSVs, the LSVs and the countryside) to contribute towards meeting the identified strategic need. However, in April 2011, 6.7 hectares of employment land was identified as being available outside the four main towns, which can be developed to contribute towards meeting local economic development needs in Stalbridge, the MSVs, the LSVs and the countryside.
- 5.9 Outside of the four main towns there are a number of employment sites, generally associated with villages. The key elements of the Council's approach to economic development in Stalbridge and the District's MSVs, LSVs and the countryside are:
- to enable rural communities to plan to meet their own local needs through involvement in drafting LP2 for Stalbridge and the MSVs retaining settlement boundaries, and through NDPs; and
 - to support certain forms of economic development through countryside policies including those relating to: the reuse of existing rural buildings; the small-scale expansion of existing employment sites; equine-related developments; and the provision of rural tourist accommodation (Policies 29 to 32).
- 5.10 This approach seeks to support and diversify the economy in Stalbridge, the MSVs, LSVs and the countryside to meet local, rather than strategic needs. LP2 and NPDs could allocate specific sites for economic development in Stalbridge and the MSVs. Outside of settlement boundaries, NPDs could enable local communities to meet their own needs, in addition to countryside policies. At these sites, the approach proposed in LP1 includes:
- encourage the re-use of existing buildings for employment purposes (Policy 29);
 - support the expansion of existing employment sites (Policy 30);
 - support the provision of tourist accommodation in rural areas, including on farm diversification schemes (Policy 31);
 - support equine-related developments (Policy 32); and
 - permit occupational dwellings where these are required to support agriculture and other rural businesses (Policy 33).
- 5.11 This will enable not only the redevelopment, and expansion of existing units within the existing boundaries of the site, but also the small scale expansion beyond the current boundaries having regard to impacts locally. This approach will enable the expansion of businesses in the rural areas to be met in accordance with its rural setting, and consideration of any other type of development for new business that has an overriding need for a rural location.

- 5.12 Where a new business moving into the area requires a large site or where a business outgrows its existing location, the approach would be to direct the enquiry to one of the strategic sites available at the four main towns.

Link between Housing and Employment

- 5.13 The benefits of directing most employment growth towards the four towns needs to be balanced against the need to build stronger rural communities with balanced housing and employment opportunities in other locations as well.
- 5.14 Within the housing section of this paper (paragraph 3.10-3.13) analysis shows that 41 dwellings per annum of the overall District need for 285 annual dwellings to 2031 is generated specifically from rural areas. Over the 20 year period of LP1, that equates to 826 of the 5,700 dwellings required in total between 2011 and 2031.
- 5.15 This would crudely calculate as 616 jobs or 4.27 ha of employment land. Given 6.7ha of employment land has already been identified as available for employment development in rural areas, there would seem to be no need identify additional employment sites at the LP1 stage.

Viability

- 5.16 The North Dorset Whole Plan Viability and CIL Study (INF016) concludes that with regard to non-residential element of the planned development, the delivery of schemes is less affected by the impact of 'policy burdens' and more sensitive to wider economic market conditions of demand and supply for such development. The viability assessment assessed a range of development scenarios, without the imposition of any planning obligations and found the schemes most likely to take place are those that have an identified client requiring specific development requirements rather than speculative delivery.

New Approach

Retention of Settlement Boundaries

- 5.17 The retention of settlement boundaries around Stalbridge and the MSVs presents an opportunity to allow appropriate small scale employment development to support rural communities they serve. The approach of enabling exceptions to the policy of restraint in the Countryside through Policies 29-33 will enable the rural economy to function and grow whilst still protecting the rural landscapes and character.
- 5.18 It is therefore proposed that alongside the retention of settlement boundaries around Stalbridge and the eighteen MSVs for residential infill, the opportunity to retain allocated sites for small scale employment development and potential infill of the same nature should also be acknowledged.

- 5.19 The focus of larger scale or intensive employment uses should remain directed towards the towns. The employment land allocations in Stalbridge, the MSVs, the LSVs and the countryside for smaller scale employment development provide sufficient employment land. Where a specific need is identified, this can be planned for either in LP2 or through community lead neighbourhood plans.

Appendix 1: Rural Needs in North Dorset

The following is an assessment of the needs for housing outside of the four main towns in North Dorset prepared by J G Consulting. This assessment builds upon the work undertaken as part of the 2012 SHMA Update (MHN005).

Rural Needs in North Dorset

Around half of the population and households in North Dorset currently live in rural areas, with the other half in the main settlements of Blandford (Forum and St Mary), Gillingham, Shaftesbury and Sturminster Newton. This does not however automatically mean that half of the housing need/demand arises in these areas. This is because in North Dorset, the majority of population growth (and hence housing need) is driven by net in-migration to the District.

To try to establish how much need arises in rural areas we have used demographic projections to look at the level of housing generated by the local population of the District, and therefore how much is supported by net in-migration.

Two projections have been run – these are based on the assumptions underpinning the 2012-based subnational population projections (e.g. with regard to migration and natural change) and the 2012-based CLG household projections. The projections are:

- Zero net migration – where levels of in- and out-migration are set to be equal. There is therefore no overall net migration, but there will be some level of net in- and out-migration for particular age/sex groups
- Zero migration (or natural change only) – where all migration is set at zero for the projection and so population change is only driven by natural change (i.e. birth minus deaths).

The outputs of these projections suggest an annual housing need across the whole District of 74 dwellings per annum with no net migration and a slightly higher figure of 91 if migration assumptions are removed entirely from the modelling. The average level of housing need from the two projections together is therefore 83 per annum. Assuming that roughly half of this is in rural areas then an annual need for 41 dwellings is derived – equivalent to 826 over a 20-year period.

Therefore on the basis of a housing target of 5,700 over the 2011-31 period taking into account the extended plan period and allowance for second homes the level of provision in rural areas should be about 14% of the total. In effect this would target anticipated net migration to urban locations but ensure sufficient housing for rural populations, as these develop over time.

At present the Council has identified a supply of 649 outside of the four main towns and so this analysis suggests a need for an additional 177 dwellings to be found – this will be achieved through LP2 or through NPDs.