

Core Strategy

17 Affordable Housing Key Issue Paper

Options for Consideration Consultation
4th October – 24th December 2010



Prepared by Christchurch Borough Council and
East Dorset District Council as part of the Local Development Framework

October 2010

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1 Introduction

Introduction

1.1 The formulation of a preferred spatial strategy provides the context for the preparation of specific policies to inform decisions about the future of affordable housing in Christchurch and East Dorset. There is also a very significant 'action planning' element to the strategy which includes an implementation framework for the delivery of infrastructure and realisation of strategic objectives. Detail of the proposed implementation framework is included within this paper.

1.2 The provision of decent housing is a national priority. The launch of the Housing Green Paper (Homes for the future: more affordable, more sustainable) in July 2007 set out the Government's plans to ensure that 3 million new homes are built by 2020. There is a commitment to increasing housing supply where it is most needed, ensuring a greater supply of affordable housing, building homes more quickly and greener housing. This is set within the context of the principle objective of creating sustainable, inclusive and mixed communities.

1.3 For the purposes of the Core Strategy affordable housing is defined as either social rented or intermediate housing, such as shared ownership. The definition does not include low cost market housing.

1.4 Issues relating more generally to housing are contained within a separate Housing Key Issue Paper.

2 Baseline

Baseline

2.1 This section looks at the background information to identify what the critical issues are.

Sustainability Appraisal Baseline Information

2.2 The Christchurch and East Dorset Scoping Report assesses broad environmental, social and economic characteristics of the plan area and how these are changing. This assessment takes a long term view of how the area is anticipated to change. A baseline appraisal in terms of the environment, society and economy is provided. This is an assessment of what condition the area is in at present. This baseline information forms a part of the identification of key issues to be addressed by the Local Development Framework. Key sustainability issues of relevance to this background paper include:

2.3 Environmental Baseline and Considerations

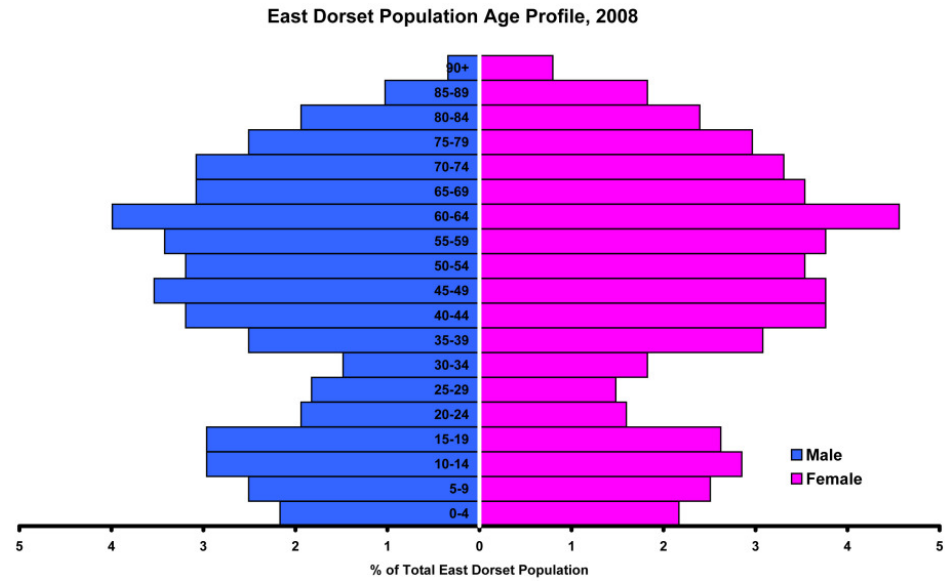
2.4 There are no specific environmental considerations that differ from those set out in Key Issue Paper: Delivering Suitable and Sufficient Housing. See discussion on climate change / biodiversity, air quality, habitats, floodrisk, renewable energy and green house gas emissions, countryside, landscape, historic environment, water, energy / resource use / waste and recycling and pollution set out in the Delivering Sustainable and Sufficient Housing Key Issue Paper.

2.5 Social Baseline and Considerations

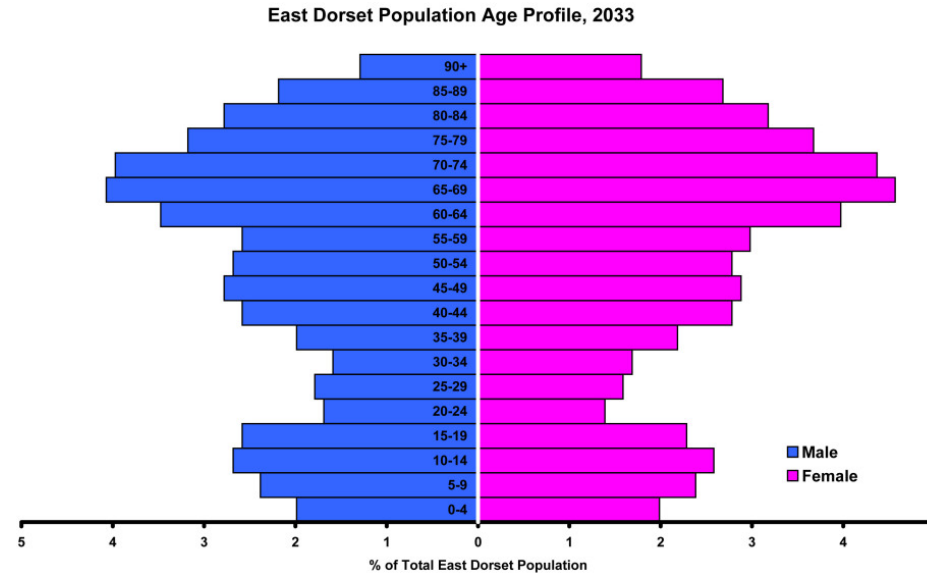
2.6 Population

2.7 Population is increasing slowly but incrementally in the area due to in-migration. A recent Housing Needs Survey identifies a need for housing in the area across all tenures. The age structure of the population shows a significantly above average representation of retired people. This has implications for accommodation needs of the area.

East Dorset Statistics



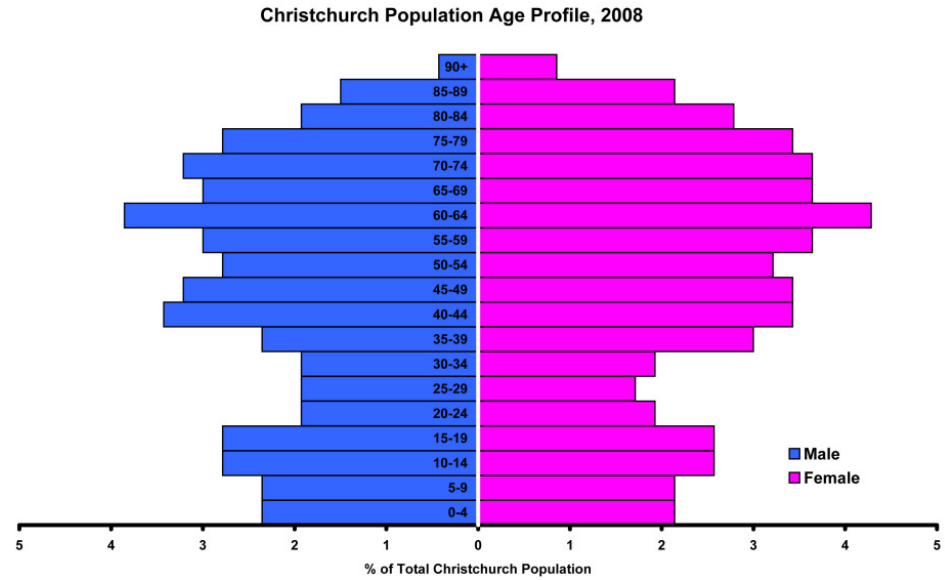
Picture 1 East Dorset Age Profile 2008 (ONS 2008 Mid-Year Population Estimates)



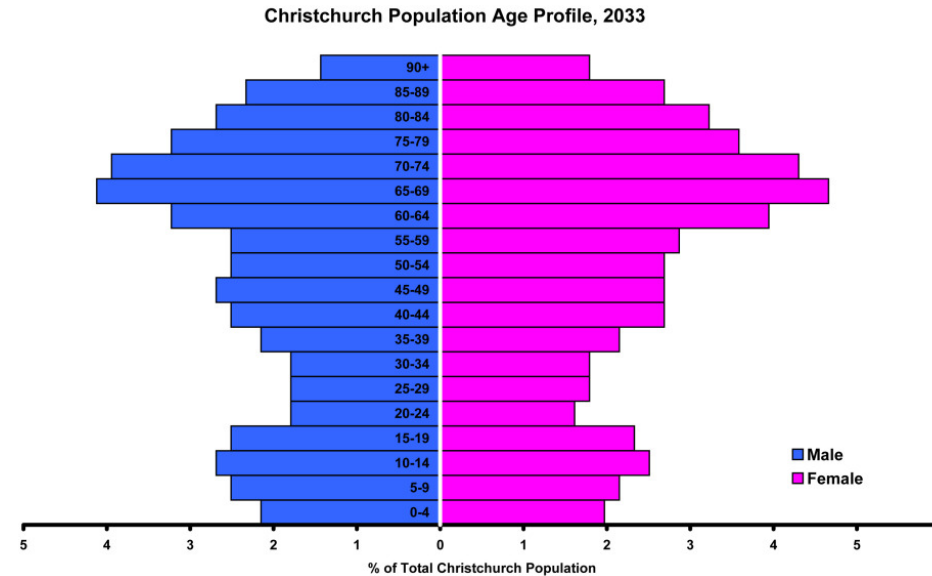
Picture 2 East Dorset Age Profile 2033 (ONS Sub-national Population Projections - 2008 based)

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- Population 85,809
- Density **2.42** persons per ha
- Population growth: **40%** between 1971 and 2001
- Ethnicity: **98.99%** British white
- **32%** are aged 60+ years
- **49%** increase in 50-59 years population 91-01
- **29%** reduction in 20-29 years population 1991-2001
- **17%** of households are single pensioners
- Pensioner households **36%**
- **1.9%** of households are lone parent with dependent children
- Death rate of **12.2 per 1,000** is far higher than births of **7.3 per 1,000**
- Migration-in **1,180** (2006-2007)
- **18.41%** of all people have a limiting long term illness
- Life expectancy: Male **81.2** (7th highest in the UK); Female **85.1**
- (4th highest in UK) Source: ONS 2009 – Life expectancy at birth by local areas in the UK 2006-8

Christchurch Statistics



Picture 3 Christchurch Age Profile 2008 (ONS 2008 Mid-Year Population Estimates)



Picture 4 Christchurch Age Profile 2033 (ONS Sub-national Population Projections - 2008 based)

- Population 45,824 (ONS 2008 Mid-Year Estimates)
- Density **9.1** persons per ha
- Population growth: **32%** between 1971 and 2001 (1971 & 2001 Census)
- Ethnicity: **96.83%** British white (2001 Census)
- **38%** are aged 60+ years (2008 Mid Year Population Estimates)
- **38%** increase in 50-59 years population 1991-2001 (1991 & 2001 Census)
- **19%** reduction in 20 – 29 years population 1991 – 2001 (1991 & 2001 Census)
- **21 %** of households are single pensioners (Housing Needs and Demands Survey 2008 - HNDS)
- Pensioner households **41 %** (HNDS 2008)
- Lone parent households **3.1%** (HNDS 2008)
- Death rate of **13.9 per 1,000** is far higher than births of **8.3 per 1,000** (Office of National Statistics 2008 Mid Year Population Estimates - ONS)
- Migration-in **790** net 2007 - 2008 (3150 in, 2360 out) (ONS 2008 Mid Year Population Estimates)
- **22.1%** of all people have a long term illness / disability (2001 Census)
- Life expectancy at birth: **Male 80.2; Female 84.8** (6th highest in UK) Source: ONS Life expectancy at birth by local areas in the UK 2006-8

Housing

2.8 The profile of existing housing stock is heavily weighted towards detached properties, however in recent years more flats have been built. The majority of homes are owner-occupied with a small proportion of private rented and social housing. There is a significant problem of affordability of housing. The key issue that the Core Strategy will address is to ensure a sufficient supply and appropriate size, type and tenure of affordable housing to meet the needs of the community. As the supply of new housing is constrained by environmental considerations including Green Belt and flood risk, the majority of housing in Christchurch and East Dorset will need to be found within the urban area.

2.9 East Dorset Statistics

2.10 *Housing General:*

- Total in 2006: **38,092**
- Vacant properties: **711**
- **1.9%** empty homes
- **0.6%** second homes/holiday homes
- Average household size **2.32**
- **8%** provided by Registered Social Landlords
- **7%** private rented
- **46%** owned outright; **38%** with mortgage
- Average house price **£260,000** Oct 2009
- Market entry prices December 2009 approx **£95,000**
- Entry weekly rent December 2009 approx **£150**
- House price/earnings ratio: Approx **6:1**

2.11 *Housing Need:*

- Housing Register – **2,444** (Oct 09)
- Transfer requests: **396** (Apr-Dec 08)
- **473** special needs
- Out of area applicants: **790**
- **72** Black Minority Ethnic (BME) applicants
- **175** single under 25 applicants
- Housing Needs and Demands Survey (2008) – Net annual need **440** dwellings
- Backlog: **386** dwellings – **77** per annum
- **2,149** younger households currently living with a host family will form over two years from 2008.
- **1,614** of these younger households would like to become owner occupiers, but only 25% have the funds to achieve this.

2.12 Christchurch Statistics

2.13 Housing General

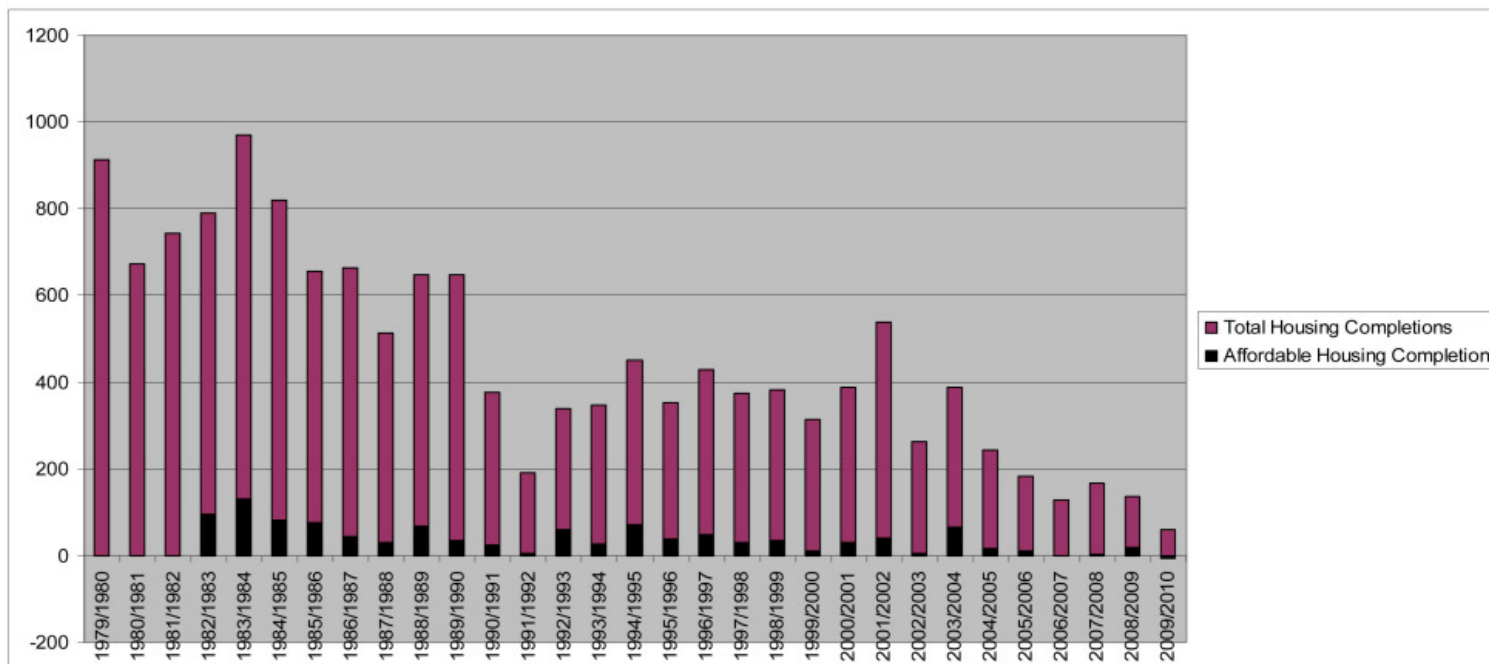
- Total number of households – **21,500** (HNDS 2008)
- **2%** empty homes (Feb 2010)
- **3.3%** holiday homes (Feb 2010)
- Average household size **2.15** (2001 Census)
- **12%** of households rent from a RSL – Registered Social Landlord (HNDS 2008)
- **6%** of households rent privately (HNDS 2008)
- **50%** owned outright; **32%** with a mortgage (HNDS 2008) A=
- Average house price £314,000 Feb 2010 (houreladder.co.uk)
- Market entry prices Feb 2010; £126,000 for 1 bed and £215,000 for 2 bed (Nestoria.co.uk)
- Entry monthly rent Feb 2010 – 1 bed = £560, 2 bed = £695 (Nestoria.co.uk)
- House price/household income ratio: Approx **7.48 to 1** in 2007 (Hometrack report Can't supply; Can't Buy July 2008)

2.14 Housing Need

- Housing Register – **1,596** (March 2009)
- Other housing need statistics – requested from Housing Dept
- Housing Needs and Demands Survey (HNDS) 2008 – Net annual need **243** dwellings
- Backlog: **123** dwellings – **25** per annum
- **1,200** younger households currently living with a host family will form over two years from 2008
- **838** of these younger households would like to become owner occupiers, but only 20% have the funds to achieve this.

2.15 Affordable Housing Delivery

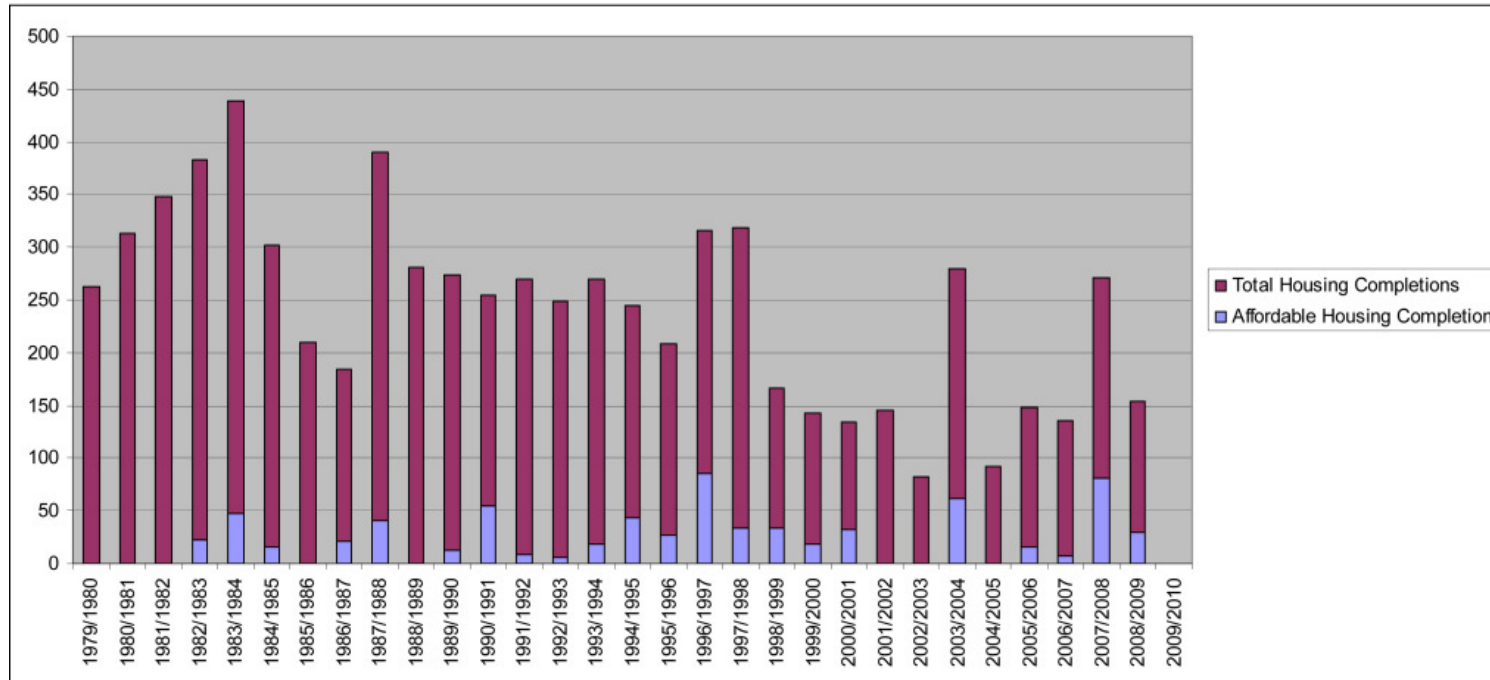
2.16 Historically, East Dorset has delivered large numbers of new dwellings in proportion to the existing housing stock. However, this delivery has decreased significantly as can be shown in Graph 2. This has reflected reduced opportunities for development as greenfield sites have been completed. There are now very few such sites in the District that do not sit within the Green Belt, or are not constrained by environmental factors. Affordable housing has always been a small proportion of new housing. This has lessened over recent years, as large sites greater than the Local Plan threshold have become scarce. The East Dorset Local Plan set a target of providing 410 affordable homes between 2000 and 2011. At the beginning of April 2009 a total of 233 had been built.



Picture 5 Total housing completions and affordable housing completions in East Dorset (DCC Monitoring)

2.17 Christchurch

2.18 The delivery of affordable housing in Christchurch has fluctuated over the years. The Borough of Christchurch Local Plan set a target of an average annual completion rate of 26 affordable housing units over the period of 1996 – 2011. This has been met, as a total of 398 affordable housing units have been built over the 13 year period of 1996/7 – 2009/10 resulting in an annual average of 31 a year. The constraints are the same as for East Dorset as the number of sites greater than the Local Plan threshold are limited.



Picture 6 Total housing completions and affordable housing completions in Christchurch (DCC Monitoring)

2.19 Affordable Housing Supply

2.20 On the basis of the Strategic Housing Land Availability Assessment it is estimated that 37 affordable dwellings could be built a year in East Dorset if the current Local Plan threshold was applied. These would be on sites within the existing urban areas. However, caution needs to be given to this figure as most of the housing would be derived from urban redevelopment, where existing high land values make viability hard to achieve. If the new neighbourhoods were to be built a further 1,000 affordable dwellings could be built.

2.21 The Christchurch Strategic Housing Land Availability Assessment indicates that the majority of sites with potential to come forward for housing in the next 15 years are small in size – 1 – 5 units. Looking at the Strategic Housing Land Availability Assessment evidence on sites of 15+ it is estimated that 24 affordable dwellings could be built at year in Christchurch if the current Local Plan threshold and percentage (30%) was applied. However, this figure should be treated with caution as it depends on a high level of housing development in the urban extension and there are limited opportunities for sites of 15+ within the urban area coming forward for housing.

2.22 Health

2.23 The Housing Needs Survey contains information on households in Christchurch and East Dorset with different types of special needs. In East Dorset 18.6% of households have someone with special needs, of which 52% are elderly. In Christchurch 23.2% of households have someone with special needs of which 53% are elderly. Special needs households are therefore more likely to contain older people and are four times as likely to live in unsuitable housing as non-special needs households. With regard to future housing, the Core Strategy should address the issue of suitability of housing to cater for people with special needs. Lifetime Homes Standards aim to provide accessible and adaptable accommodation for everyone, from young families to older people and individuals with a temporary or permanent physical impairment. The impact of a lack of sufficient affordable housing on the health of the community if they are living in cramped and unsuitable accommodation is an important issue.

2.24 Social Inclusion and Deprivation

2.25 The Index of Multiple Deprivation 2007 shows that Christchurch is in the 40% least deprived districts in the Country. East Dorset is in the 10% least deprived districts in the Country. However, there are significant pockets of higher deprivation shown by comparing the Super Output Areas. This shows that Somerford is the most deprived area in Christchurch and there are pockets of deprivation in Heatherlands, Ferndown, Leigh Park in Wimborne, and Three Legged Cross in East Dorset. The ward level data in the Dorset Survey of Housing Need and Demand also provides useful data. This gives ward levels of overcrowding, households in unsuitable housing, special needs households and households in housing need. This shows that the Grange Ward in Somerford, Christchurch has the highest proportion of households within all those categories. In East Dorset Three Legged Cross has the highest proportion for these categories within the District, with the exception of special needs where the wards in Ferndown have the highest number.

2.26 The needs of particular groups

2.27 The Dorset Survey of Housing Need and Demand Survey considers a series of particular groups.

2.28 *Older person households*

2.29 About 49% of households in East Dorset have one or more elderly persons living in them. Even though these households tend to be one or two persons in size about 80% live in homes with 2 or 3 bedrooms.

2.30 About 53% of households in Christchurch have one or more elderly persons living in them.

2.31 41% of households contain only older people. They are almost all comprised of one or two persons. However, nearly half reside in accommodation with three or more bedrooms.

2.32 *Key workers*

2.33 The Survey showed that 90% of key worker households in East Dorset and 89% of key worker households in Christchurch were able to afford entry level house prices.

2.34 *Younger people*

2.35 The largest proportion of households identified as having housing needs are young people. The Survey showed that there are a large number of young persons who wish to leave home but do not have a sufficient income to afford entry level housing.

2.36 *Gypsies and travellers*

2.37 Gypsies and travellers are a socially excluded minority and the provision of gypsy and traveller pitches is another form of affordable housing. Key Issue Paper: Delivering Suitable and Sufficient Housing addresses the issue of gypsy and traveller accommodation.

2.38 Core Strategic Messages

2.39 From the baseline information it is evident that:

1. There is a high level of unmet housing need in both Districts.
2. There are large numbers of special needs households in the Districts, with a large proportion requiring improved housing.
3. Many older households live in properties larger than their needs.
4. There is not a significant need for key worker accommodation
5. The largest proportion of households in need is concealed younger households, either living at home, or sharing accommodation.
6. The Districts do not suffer, in general from high levels of deprivation, but there are a small number of wards that do.

Baseline Mapping:

2.40 · Policy Background

2.41 This section reviews plans and programmes that have implications for the preparation of affordable housing policy within the Core Strategy. This highlights where other plans and programmes have an impact on land use which need to be considered. It also indicates where there are relevant spatial objectives which the Core Strategy will assist in delivering. The following policy documents have been reviewed.

National Planning Policy

Sustainable Communities Plan (Office of the Deputy Prime Minister Feb 2003 - ODPM)

Sustainable Communities: Homes for All (ODPM 2005)

Homebuy – expanding the opportunity to own (ODPM 2005)

Sustainable Communities: People, Places and Prosperity (ODPM 2005)

Analysis

<ul style="list-style-type: none"> • Identifies that it is vital to link housing to socially inclusive places where there are jobs, services and transport links. • There should be a greater choice in housing: increased emphasis on home ownership and first time buyer initiatives. • Aims to give people more of a say in the way places are run, tackle disadvantage and increase prosperity. Housing is a key cross-cutting issue.
<p>Core Strategic Messages</p> <p>Although the emphasis is on extending home ownership to more households, there is a need for alternative tenures to cater for those who cannot afford to buy. This has implications when developing policy for affordable housing to ensure there is sufficient choice of tenures of housing.</p>

Table 2.1

<p>PPG2 Green Belts (1995)</p> <p>PPS 7 Sustainable Development in Rural Areas (2004)</p>
<p>Analysis</p> <ul style="list-style-type: none"> • New housing is not an appropriate use within the Green Belt, but there are exceptions for limited affordable housing for local need or limited infilling of existing villages if there are adopted policies setting out the direction on these issues. • PPS7 requires local authorities to provide for the affordable housing needs within rural areas. • Safeguarded land can be identified which may be required to serve development needs in the longer term.
<p>Core Strategic Messages</p> <p>The Core Strategy should recognise the need to provide affordable housing in the rural areas.</p>

Table 2.2

<p>PPS 3 Housing (June 2010)</p> <p>Communities and Local Government (CLG): Delivering Affordable Housing (Nov 2006)</p>
<p>Analysis</p>

Local Authorities should:

- Set an overall target for the amount of affordable housing to be provided.
- Set separate targets for social-rented and intermediate affordable housing.
- Specify the size and type of affordable housing that is needed.
- Set out the range of circumstances in which affordable housing will be required.
- Set out the approach to seeking developer contributions for the provision of affordable housing and improve the delivery through this mechanism.
- Give special consideration to the housing needs of children, including gardens, play areas and green spaces
- Ensure a good mix of tenures on new developments.
- High house prices mean that there will be a need for more social rented housing, particularly family sized housing.

Core Strategic Messages

The Core Strategy should provide for a mix of tenures and size of housing on new developments and ensure the best possible use of planning obligations and other tools to improve the delivery of affordable housing. This is set within the context of the national drive for a step-change in the delivery of housing (market and affordable) with an emphasis on identifying sufficient supply and meeting targets.

Table 2.3

The Housing Green Paper (July 2007)**Shared Equity Task Force Report (December 2006)****CLG Housing and Planning: The crucial role of the new local performance framework (2008)**

Analysis

- Vision of everyone having access to a decent home at a price they can afford in a place they want to live and work
- 3 million new homes to be provided across the Country by 2020
- At least 70,000 affordable homes per year by 2010-11, of which 45,000 per year social rented and 25,000 a year shared ownership/shared equity.
- Local councils to establish new local housing companies to deliver shared ownership homes and homes for first time buyers.
- Provides options to increase low cost home ownership and more long term and affordable mortgage products.
- Identifies an increased range of private shared equity products expected to meet needs of rising numbers of households in the intermediate market. Stronger role for the market sector.

<ul style="list-style-type: none"> • New National Indicator set includes a number of performance indicators relating to housing supply. • Negotiation of Local Area Agreements allows local authorities and partners to prioritise and address housing delivery through targets that are tailored to a 3 year timescale.
<p>Core Strategic Messages</p> <p>The major house building programme, performance indicators and Local Area Agreements indicate the national drive to improve and speed up the delivery of affordable housing. The push towards the increasing role of the intermediate sector is also evident. A Local Area Agreement has been negotiated between the Dorset Strategic Partnership and GOSW. Housing and affordable housing targets are included. These are County wide targets, but the performance of Christchurch and East Dorset will affect whether it is met or not and funding awarded.</p>

Table 2.4

<p>Standards</p>
<p>Housing Corporation Design and Quality Standards (2007)</p> <p>CLG Code for Sustainable Homes: Setting the standard in sustainability for new homes (2008)</p> <p>Lifetime Homes, Lifetime Neighbourhoods (2008)</p>
<p>Analysis</p> <ul style="list-style-type: none"> • All housing funded with Housing Corporation grant must meet the Design and Quality standards. • From April 2008 all new social housing must be built to a minimum of Code level 3 of the Code for Sustainable Homes. • All public sector funded housing in England will be built to the Lifetime Homes standard from 2011 with a target of 2013 for all private sector homes.
<p>Core Strategic Messages</p> <p>Affordable housing funded by the public sector has to meet certain standards. The lifetime homes standards target is particularly relevant to Christchurch and East Dorset due to the high proportion of older people.</p>

Table 2.5

Planning obligations and financial contributions
<p>Circular 05/2005: Planning Obligations</p> <p>Planning Obligations Practice Guidance (2006)</p> <p>Audit Commission Report: Securing Community Benefits through the Planning Process</p> <p>The Community Infrastructure Levy (2008)</p>
Analysis
<ul style="list-style-type: none"> • A requirement to request the provision of affordable housing is considered acceptable, subject to there being a proven need and development remaining viable.
<p>Core Strategic Messages</p> <p>It is acceptable to seek the provision of affordable housing, subject to a need being proven and development remaining viable.</p>

Table 2.6

Regional Policy

South West Regional Housing Strategy 2005 – 2016
Analysis
<ul style="list-style-type: none"> • Top priority is provision of additional affordable housing. • Advocate a sub-regional approach to affordable housing policies and use of Local Area Agreements and LPSA targets. • Recognises the value of the private rented sector in providing a valuable source of accommodation for those unable to access social housing or owner occupation. Housing benefit plays a key role in enabling this accommodation to be affordable • Local affordable housing policy should be informed by assessments of economic viability, scale of need and impact on overall levels of housing delivery.
Core Strategic Messages

This strategy highlights the need to better understand cross-boundary housing market area issues and to have a robust evidence base, a key part of which is the Strategic Housing Market Assessment.

Table 2.7

Local Policy

Dorset Local Area Agreement 2008 - 2011
Analysis
<ul style="list-style-type: none"> • The LAA is negotiated between the Dorset Strategic Partnership and central government. It sets out 33 key priorities as targets, which are improvement targets. • Targets for Affordable, sustainable and appropriate housing are set, chosen from the National indicators, but setting a target for Dorset (excluding Bournemouth and Poole) for the 3 years 2008 - 2011. • NI 154 – net additional homes provided – Dorset target of 4,880 for 2008 – 2011 (450 total or 150 annual average for Christchurch and 525 total or 175 annual average for East Dorset). • NI 155 – number of affordable homes delivered. Dorset target of 810 for 2008 – 2011 (93 total or 31 annual average for Christchurch and 67 total or 22 annual average for East Dorset)
Core Strategic Messages
Although the Local Area Agreement target is for Dorset, the performances of Christchurch and East Dorset will affect whether or not the target is met for Dorset and whether or not the reward element is received.

Table 2.8

Christchurch Borough Council Corporate Plan 2008 - 2012
East Dorset Corporate Plan 2010 - 2016
Analysis
<ul style="list-style-type: none"> • Improve quality and availability of housing • Target to yearly increase households assisted by rent deposit scheme (CBC)

- EDDC Targets:-
- Fewer people are homeless or require temporary accommodation
- Elderly, vulnerable and disabled people are able to live in the comfort and security of their own homes
- People with specific housing needs are able to live in appropriate accommodation
- The range of accommodation has increased
- More young people are able to stay in the local area
- Social and private rented housing is of a decent standard
- Homes are more energy efficient and fuel poverty has been reduced.

Core Strategic Messages

Affordable housing is high on the list of Corporate priorities in both Councils.

Table 2.9

Christchurch Housing Strategy 2006 – 2010

East Dorset Housing Strategy 2004 – 2009

Christchurch Homelessness Strategy

East Dorset Homelessness Strategy 2003 – 2008

Christchurch Empty Property Strategy 2006

East Dorset Empty Homes Strategy 2006

Analysis

- There is a priority to meet affordable housing need. East Dorset's target is to deliver 40 affordable homes over the next 5 years and that 70% of vulnerable households should be in decent private sector homes by 2010.
- Meet the needs of the homeless.
- Eliminate or reduce the use of bed and breakfast accommodation
- Promote more sustainable use of empty properties in tackling housing need.
- Targets to bring back empty properties back into use (EDDC)

Core Strategic Messages

Although homelessness is not a major issue in either district it may be reduced by the provision of adequate affordable housing. Empty properties are not a significant issue in either district, but bringing them back to use may assist in providing for those in housing need.

Table 2.10

East Dorset Older Persons Housing Strategy 2001

East Dorset Single Persons Housing Strategy 2001

Analysis

- There is a need to improve the range and quality of housing services for older people.
- Need to identify the housing need of single people, focussing on young people.

Core Strategic Messages

Both strategies are relevant to both areas as Christchurch has an even higher proportion of elderly people than East Dorset. The lack of provision for affordable and suitable housing for older people as well as the growing number of them is highlighted. Christchurch and East Dorset have a particular problem with affordability for young working households as identified in national and local research.

Table 2.11

Christchurch Borough Council Scrutiny Committee 9 Jan 2007: Report by the Affordable Housing Task and Finish Group

East Dorset District Council Final Report of the Environment and Health & Housing Scrutiny and Policy Development Sub-Committee into Affordable Housing in East Dorset (2008)

Analysis

Christchurch Report

- Provision of further accommodation for young people with an element of support.
- Encouraging small shared ownership units to allow access onto the housing ladder for young people.

<ul style="list-style-type: none"> • Lower affordable housing threshold policy • Current use of the private rented sector to provide homes for those in housing need or homeless is continued. • The proportion of social rented to intermediate housing be 70 :30 • Housing for key workers should be provided if evidence from local employment sectors shows recruitment difficulties. <p>East Dorset Report</p> <ul style="list-style-type: none"> • Suggests seeking a matrix levy system applying to urban and rural areas, with a financial contribution on sites up to 10 units, a percentage threshold on sites between 11 and 14 units and a 40% threshold on sites of 15 and above. • Although flats not popular, land constraints and funding leave them as preferred option for affordable housing. Provision of 2 and 3 bed flats and housing remains high priority. EDDC should continue to invest in the provision of 1 bed flats. • The EDDC 2009 Affordable Housing Target of 120 is judged unachievable and needs to be revised downwards. • In the absence of evidence base, provision of housing for key workers should be accorded low priority in East Dorset. • Levels of under-occupation in social units should be address with inducements up to £10,000 offered to downsize. • Suggests small settlements for possible rural exceptions policy in villages in East Dorset. • Mixed private and affordable housing on-site remains the preferred East Dorset option. • A target percentage split would be set for affordable housing sites for 70% rental and 30% shared equity. • A policy is needed to cover circumstances where a shared equity unit may not be taken up and could be lost to the open market.
<p>Core Strategic Messages</p> <p>Both Councils see affordable housing as a priority and are keen to progress a lower threshold policy as well as other methods of delivery.</p>

Table 2.12

Community Strategies

<p>Christchurch Community Plan 2007 – 2010</p> <p>East Dorset Sustainable Community Strategy 2007</p> <p>Shaping our Future: The Community Strategy for Dorset 2007 – 2016</p> <p>East Dorset Parish Plans.</p>	
Analysis	

<ul style="list-style-type: none"> • Affordable housing is a priority issue, particularly amongst the young • Need for higher percentages of affordable housing on development sites. • Better inter-agency working needed and support for initiatives which seek to ensure families adequately housed. • Development of county-wide asset register to detail all sites with potential to provide new affordable homes. • New ways of providing affordable homes such as community land trusts and self-build schemes could help deliver a small number of schemes in rural settlements
<p>Core Strategic Messages</p> <p>Both community strategies place the provision of affordable housing high on their agendas, with the problems of young people highlighted.</p>

Table 2.13

East Dorset Housing Theme Action Group Action Plan	
Analysis	
<ul style="list-style-type: none"> • Review thresholds to increase the provision of affordable housing. • Initially concentrate the provision of affordable housing on brownfield sites within the main settlements. • Increase Provision of Affordable Housing for rent and shared ownership. • Develop range of provision, including smaller units of accommodation. • Maximise density on sites. • Identify/investigate rural housing opportunities with major landowners or through planning “exceptions” policy. 	
<p>Core Strategic Messages</p> <p>There is a desire to increase the provision of appropriate affordable housing through a range of means, but concentrating on making use of previously developed land as a priority.</p>	

Table 2.14

2.42 Core Strategic Messages

2.43 From the analysis of policy it is evident that:

1. The provision of appropriate affordable housing should be maximised.

2. It is acceptable to seek the provision of affordable housing from housing development.
3. Housing development is capable of providing for a proportion of affordable housing.
4. The existing threshold policies of the Councils to not deliver sufficient affordable housing and should be amended.
5. The Core Strategy should provide for a range of type and tenure of new dwellings.

3 Identification of Issues

3 Identification of Issues

3.1 This section will consider the validity of the questions posed in the Issues and Options consultation and how appropriate they were, based on responses and other issues identified by key stakeholders and members of the public and will also identify any further issues raised through the evidence base. This will then form a consolidated list of issues for the development of preferred options in section 4.

Issues and Options Consultation Response

3.2 In March 2008 the Councils conducted a six week Issues & Options consultation exercise on the then Affordable Housing Development Plan Document (now contained within the Core Strategy). The document discussed the key planning issues relating to affordable housing provision to be addressed and suggested a range of options to tackle each issue. During this consultation period a Housing Focus Group was held on 7.4.08 which was attended by housing associations and planning consultants. Three Dragons consultants held a Christchurch and East Dorset workshop on Affordable housing provision and Developer Contributions study on 18.11.08 as part of their viability study. This workshop provided another opportunity for stakeholders to engage in the development of affordable housing policy and was well attended by local developers, planning agents, landowners and housing associations.

3.3 Issues raised through Issues & Options consultation, (through responses to the questionnaire, Housing Focus Group and Three Dragons workshop) and the evidence base include:-

AH1: What overall target for delivery of affordable housing should the Development Plan document adopt?

3.4 This issue has been identified in national policy, regional policy, Local Agreement Area targets and in evidence base studies, particularly the Three Dragons viability study. Setting an overall target for affordable housing plays an important role in the overall objective of increasing affordable housing delivery. No opposition has been raised to this being a valid issue and it should be addressed through the Core Strategy options.

AH2: What site threshold should the Affordable Housing Development Plan document adopt?

3.5 This issue has been identified in national, regional and local policy, evidence base studies and community strategy consultation. This issue has been the subject of consideration by member working groups in both Councils. It has also been raised in the Housing Focus Group and Three Dragons viability study workshop. No opposition has been raised to this being a valid issue and it should be addressed through the Core Strategy options.

AH3: Are there any situations where off-site provision of affordable housing is appropriate?

3.6 This issue has been identified in national policy, local policy and evidence based studies, in particular the Three Dragons viability study. It has also been raised in the Housing Focus Group and Three Dragons viability study workshop. The option of financial contributions in lieu of on-site provision has also been examined through the evidence and consultation response. This issue should be re-worded to reflect this to ask “Are there any situations where off-site provision or a financial contribution is appropriate?” No opposition has been raised to this being a valid issue and it should be addressed through the Core Strategy options.

AH4: What proportion of affordable housing should be required on qualifying sites?

3.7 This issue has been identified in national, regional and local policy and evidence based studies, particularly the Three Dragons viability study. It has also been raised at the Three Dragons viability workshop. No opposition has been raised to this being a valid issue and it should be addressed through the preferred options.

AH5: How should the Affordable Housing Development Plan document develop policies for type and size of affordable housing?

3.8 This issue has been identified in national policy and local evidence based studies, in particular the Balancing Housing Market analysis in the Survey of Housing Need and Demand 2007. It has been raised locally by member working groups in both Councils. It formed part of the discussion at the Three Dragons Workshop. The issue of size and type of all housing – market and affordable – is examined in Issue HO2 of the housing paper. No opposition has been raised to this being a valid issue and it should be addressed through the preferred options of the Delivering Suitable and Sufficient Housing Key Issues Paper.

AH6: How can we develop policy for the tenure of affordable housing?

3.9 This issue has been identified in national and regional policy and local evidence based studies, in particular the Survey of Housing Need and Demand 2007. It has been the focus of discussion at member working groups in both councils. It was also raised at the Three Dragons viability study workshop. No opposition has been raised to this being a valid issue and it should be addressed through the preferred options.

AH7: What should the Affordable Housing Development Plan Document adopt as an appropriate definition of key worker housing?

3.10 There is already a national definition of key worker housing. A local definition has also been developed by Homebuy which is more extensive than the national definition. Taking into account the lack of evidence or support from public consultation for a target for key worker provision, there does not appear to be a justification to adopt a different local definition of key worker housing. Therefore this issue is not a valid issue and will not be addressed through the preferred options.

AH8: What categories of key worker should a revised definition include?

3.11 Evidence and public consultation did not support a revised definition. There is already a local definition of key worker housing which has been developed by Homebuy, taking into account local circumstances. Therefore this issue is not a valid issue and does not need to be addressed through the preferred options.

AH9: How can the Development Plan Document develop policy to provide key worker housing?

3.12 This issue has been identified in national policy and local evidence based studies, in particular the Survey of Housing Need and Demand 2007. Evidence indicates that key workers appear to be in a better position than other households in respect of their ability to afford market housing. Consultation responses do not support a target for key worker housing. Therefore evidence and the results of consultation indicate that key worker housing is not a priority and does not require its own specific target. Instead key worker housing needs will be taken into account when considering proposals for intermediate housing. In conclusion, this issue is not a valid issue and does not need to be addressed through the preferred options.

AH10: Should the Affordable Housing Development Plan Document develop an affordable housing rural exceptions policy?

3.13 This issue is identified in national policy as a way of securing additional affordable housing for rural communities. Existing local policy on this issue has been adopted in East Dorset, but not in Christchurch. It has not been addressed as such by evidence based studies, but is supported by consultation responses. No opposition has been raised to this being a valid issue and it should be addressed through the preferred options.

AH11: For which other methods of affordable housing delivery should the Affordable Housing Development Plan Document develop policy?

3.14 This issue is identified in national policy which supports the use of methods other than new build to secure additional affordable housing. The Multi Area Agreement and Local Area Agreement set targets and have action plans which are relevant to this issue. Both Councils have local strategies on a range of initiatives to deliver more affordable housing. The issue has been raised in both Community Strategies. Although it is an important issue, it is not appropriate for inclusion for a policy in a Core Strategy, which deals with more strategic level policy. Instead the initiatives can continue outside the Core Strategy. Therefore this issue is not a valid issue for the Core Strategy and will not need to be addressed through the preferred options.

New issues raised through the Issues and Options consultation

- **Should we be introducing an affordable housing policy in a recession as this may have a further adverse impact on an already deflated housing market?**

3.15 This issue was raised through Issues and Options consultation and discussed at the Three Dragons workshop. There is also evidence on housing affordability and the impact of the recession. The delivery of affordable housing is closely tied in to the performance of the private house building industry. Research has shown that in the short term it is the limited supply of affordable mortgage finance that is the key constraint on housing market affordability. It is important that any revised affordable housing policy does not result in housing development being stifled and land not being brought forward. The impacts of increased affordable housing contributions on the residual land value of housing schemes alongside other contributions likely to be required has been tested in the Three Dragons viability study. This study has taken into account current impacts of the recession on development, but it concludes that plans and policies are for the long term and that the policy position should reflect the longer term trend in house prices which are likely to be upwards. As the study justifies the introduction of an affordable housing policy notwithstanding the current economic downturn, this issue is not a valid issue for the Core Strategy and will not need to be addressed through the preferred options. However, individual site specific viability concerns (see the first new issue raised through evidence studies) and the need for an affordable housing policy to provide flexibility to address possible viability difficulties is a valid issue and it should be addressed through the preferred options.

- **Should there be a requirement for a higher proportion of affordable housing on the urban extension sites?**

3.16 This issue was raised through Issues & Options consultation and will be addressed in the consideration of Issue AH4 which examines proportions of affordable housing required on qualifying sites. However, it has not been subject to testing in the viability study, although it is presumed that these greenfield locations will offer greater scope for viability than redevelopment of existing urban areas. It is consequently considered to be a valid issue to be addressed by the Core Strategy and it should be addressed through the preferred options.

- **Should affordable housing units be expected to make contributions to schools, new roads etc or should they be exempt?**

3.17 This issue was raised at the Housing Focus Group. This is an issue that will be considered within the Contributions Options of the Core Strategy.

- **What about the running costs of affordable housing?**

3.18 This issue was raised through Issues & Options consultation – Issue AH12 which asked if we had identified all of the issues relating to affordable housing policies. A respondent considered that the policy should include a statement supporting the provision of low cost heating provision. This issue is too detailed for inclusion in a Core Strategy. Therefore it is not a valid issue and will not be addressed through the preferred options.

- **Should the Core Strategy set out criteria for affordable housing providers?**

3.19 This is another issue raised through Issue AH12. However, it is too detailed for inclusion in a Core Strategy. This is an issue which is being addressed outside the Core Strategy through the Councils' Housing Strategies. Therefore it is not a valid issue and will not be addressed through the preferred options.

3.20 New issues raised through evidence studies

- **How can an affordable housing policy take into account site specific viability concerns?**

3.21 This issue was raised in Three Dragons evidence study. The study indicated that there will be site specific circumstances where the achievement of affordable housing as set out in policy may not be financially viable. A strategy would need to take into account possible site specific viability concerns. This is a valid issue to be addressed by the Core Strategy and it should be addressed through the preferred options.

- **How can we address the shortage of private rented accommodation, particularly within Christchurch?**

3.22 This issue was highlighted in the Survey of Housing Need and Demand 2007 and Bournemouth / Poole Strategic Housing Market Assessment Summary Report 2008. The Survey of Housing Need and Demand highlighted the importance of the private rented sector to those households who can only afford social rented housing but are unable to secure it, as they can be supported in private rented housing on Housing Benefit. The Strategic Housing

Market Assessment identified the low availability of private rented housing in Christchurch as a problem. Young single households have stretched themselves to buy houses and there are above average proportions of young households in social rented accommodation. This is most likely linked to the high cost to buy and the limited availability of rented housing. Increasing the supply of private rented housing is outside the remit of the planning system as planning policy can require the provision of affordable housing but not the provision of private rented housing. However, the Council is already involved in initiatives to further this aim, including the Empty Property Strategy and regular Landlords Forums. The issue is important but not a valid issue to be addressed by the Core Strategy and will not be addressed by the Preferred Options.

3.23 New Issues raised through Cross Border Issues

- **What is the impact of neighbouring authorities' affordable housing policy on the development of our own policy?**

3.24 This issue was raised at the Three Dragons viability study workshop. Bournemouth and New Forest Councils are progressing the introduction of a threshold of one new dwelling for a contribution to the provision of affordable housing to be made. Poole has already adopted a threshold of six dwellings. All the authorities have been subject to viability testing by Three Dragons consultants. Poole's threshold of six is justified by the availability of larger housing sites in their Borough. Ideally there should be consistency between authorities on thresholds so as not to disadvantage the authority with the lower threshold, but each authority's local circumstances need to be taken into account in determining the appropriate threshold. This has been done through the viability studies. The impact of our neighbours' affordable housing policies will be considered in issues relating to the development of an affordable housing policy.

- **What is the impact of cross boundary policies requiring other contributions on the viability of affordable housing policy?**

3.25 This issue was raised at the Housing Focus Group and Three Dragons viability workshop. The impact of the Dorset Interim Planning Framework and South East Dorset Interim Transport Contributions Framework and other possible future cross boundary contributions together with the introduction of an affordable contribution on the viability of housing development was an issue which concerned developers in particular. In view of this, the viability study has tested the impact of a higher level of S.106 contributions on the viability of housing development. This factored in contributions from heathland and transport together with other contributions for Lifetime Homes and Code for Sustainable Development. This issue will be considered in issues relating to the development of an affordable housing policy.

Summary of Identified Critical Issues

3.26 The following issues are the consolidated issues identified from the stakeholder engagement undertaken at Issues and Options and from the baseline information, evidence, consideration of other plans and strategies.

What overall target should we set for the delivery of affordable housing?

3.27 This issue was asked at Issues and Options (AH1).

- Should we be introducing an affordable housing policy in a recession as this may have a further adverse impact on an already deflated housing market?

- What is the impact of neighbouring authorities' affordable housing policy on the development of our own policy?
- What is the impact of cross boundary policies requiring other contributions on the viability of affordable housing policy?

What is an appropriate policy which will maximise the delivery of affordable housing policy to meet identified affordable housing needs?

3.28 This will incorporate the following issues asked at Issues and Options or identified through the evidence studies.

- **What is an appropriate site size threshold?** This issue was asked at Issues and Options (AH2).
- **Are there any situations where off-site provision or a financial contribution is appropriate?** The original issue asked at Issues and Options (AH3) now includes reference to financial contributions, not just off-site provision.
- **What proportion of affordable housing should be required on qualifying sites?** The original issue asked at Issues and Options (AH4)
- **Should there be a requirement for a higher proportion of affordable housing on the urban extension sites?**
- **How should the Affordable Housing Development Plan Document develop policies for the type and size of affordable housing? (This issue was asked at Issues and Options (AH5)**
- **How can we develop policy for the tenure of affordable housing?** This issue was asked at Issues and Options (AH6).
- **How can the policy take into account site specific viability concerns?** This issue was raised in evidence studies and Issues and Options consultation.
- **Should we be introducing an affordable housing policy in a recession as this may have a further adverse impact on an already deflated housing market?**
- **What is the impact of neighbouring authorities' affordable housing policy on the development of our own policy?**
- **What is the impact of cross boundary policies requiring other contributions on the viability of affordable housing policy?**

Should the core strategy develop an affordable housing rural exceptions policy?This issue was asked at Issues and Options (AH10)

4 Formation of Options

4 Formation of Options

4.1 The formulation of Options set out within this section considers the outcomes of the Core Strategy Issues and Options engagement process, relevant evidence documents and policy, and the sustainability appraisal process undertaken at Issues and Options. This includes a critical assessment of the options put forward to address issues identified in the Issues and Options paper.

Issue Identified at Issues and Options:

AH1 What overall target for the delivery of affordable housing should the Development Plan Document adopt?

Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	A minimum target of 35% of all housing development?	27	35	3	65
B	A higher minimum target – please specify?	23	35	5	65
C	A lower minimum target – please specify?	16	23	9	48
D	Adopt the Regional Spatial Strategy approach and go for a 35 – 60% target for affordable dwellings (61 – 104 a year for Christchurch and 112 – 192 a year for East Dorset)?	34	24	5	63
E	Similar targets should be adopted for East Dorset District Council and Christchurch Borough Council?	20	30	13	63

Table 4.1

4.2 Comments received were:

- Council’s targets for affordable housing should comply with PPS3. The requirement should be related directly to local need and not to an arbitrary aspiration applied to the whole of the district. There are sites where the provision of affordable housing is inappropriate or where the local need for affordable housing has not been identified (Home Builders Federation)
- Policy H1 of the draft Regional Spatial Strategy gives flexibility to adopt higher percentages of affordable housing in areas of greatest need. These should not be implemented where it can be shown that the viability of sites will be negatively affected.

- A sizeable proportion of respondents considered that it was not possible to answer the question without knowledge of the housing market, housing needs issues and viability issues. Testing of the market should be undertaken across both districts to test the viability of various unit sizes, tenures and quantum of affordable housing to test the impact on scheme viability and residual land value. Other planning gain items need to be assessed alongside the affordable housing contribution in order to both check viability and to balance out the planning gain requirements of the local authority.
- Any increase to the current affordable housing targets should be approached cautiously and with regard to current affordable housing completions in order to assess the deliverability of current targets.
- Suggestions were made that the targets should be 20%, 25%, 35% to 45%, 35% to 60%, 45%, 50%, 60% and 80% of all housing built. One consultant suggested that there should be no target.
- Twynham Housing Association suggested 40% so that the figure would be in common with other local authorities, but only once a viability study has been conducted to ascertain what percentage of affordable housing the market can sustain.
- The target for overall delivery should be as high as possible, taking into account housing need identified in survey. Regional Spatial Strategy indicates that this can be 60% or more in areas of high need. The evidence suggests that we should not be considering less than 60% - to be made up of two elements – 100% affordable sites and the residual from cross subsidy sites. (DCC)
- As the market decides the number of planning applications coming forward, it is irrelevant to set a target when councils cannot control local market conditions.
- Provision should be limited by consideration of development viability when balanced against the Community Infrastructure Levy requirement. Community Infrastructure Levy should make full allowance for flood risk management within the districts. Without funding via the levy, new housing development may not be sustainable and/or achievable in the future. (Environment Agency)
- There was one comment that as brownfield sites have existing use values, it would not be possible to provide any affordable housing or even contributions on some sites.

4.3 Consideration of Evidence and Policy

4.4 PPS 3 states in para 29 that Local Planning Authorities should set an overall (i.e. plan wide) target for the amount of affordable housing to be provided in a plan period. It should reflect an assessment of the likely economic viability of land for housing within the area, taking into account risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured.

4.5 National research studies on affordability identify Christchurch and East Dorset as two of the least affordable areas in Great Britain.

4.6 The Dorset Survey of Housing Need and Demand 2007 identifies a high level of need for affordable housing in the area, equating to 440 per year in East Dorset and 243 per year in Christchurch.

4.7 The Bournemouth / Poole Strategic Housing Market Assessment identified a high level of affordable housing need across the Housing Market Area.

4.8 Christchurch and East Dorset Housing Registers identify a rise of numbers on the Housing Register over the past few years although the picture in Christchurch is confused by a review of the Register that took place in 2009. In East Dorset there has been a rise from about 1,790 in 2004 to 2,365 in April 2009. In Christchurch there was a steady rise from 1,915 in 2004 to 2,949 in 2007. Following a review the numbers fell to 2,243 in 2008 and 1,596 in 2009.

4.9 Annual Monitoring Reports monitor the delivery rates of affordable housing per year and proportions of total housing completions. Rates vary considerably but in the past 11 years the proportion of affordable housing delivered has averaged at 17% for Christchurch and 8% for East Dorset.

4.10 The Annual Monitoring Reports also identify the delivery of housing overall within the area. The recent recession has slowed delivery of new housing. In East Dorset this has resulted in only 408 dwellings being completed in three years.

4.11 In Christchurch there have been 419 dwellings completed in the 3 years 2006 – 2009.

4.12 The Strategic Housing Land Availability Assessment indicates that Christchurch can provide a 15 year supply of deliverable sites in the context of the now revoked Regional Spatial Strategy Proposed Changes. A similar situation exists in East Dorset, which has a 15 year supply of deliverable sites.

4.13 The results of the Three Dragons Viability Study indicate that there is a case in Christchurch to apply a 40% affordable housing requirement on qualifying sites. The same applies in East Dorset although in some low market areas where a scheme involves demolition the requirement may have to be lowered to ensure that the scheme remains viable. It is acknowledged that not all sites will be financially capable of providing 40% affordable housing provision. It would therefore be unrealistic to expect to meet a 40% target of all housing being affordable.

4.14 Issues and Options Sustainability Appraisal

4.15 Option A has a positive impact on wise use of land (Objective 2), a positive impact on healthy lifestyles (Objective 12), as the provision of affordable housing has a beneficial impact on health for those in unsuitable housing conditions. There is a strong positive impact on suitable housing (Objective 13), as introducing a target for overall provision would raise the focus on providing affordable housing.

4.16 Option B has a positive impact on the wise use of land (Objective 2), a positive impact on healthy lifestyles (Objective 12), and a strong and significant beneficial impact on suitable housing (Objective 13).

4.17 For Option C there may be an adverse impact on wise use of land (Objective 2), as the target is lower. There is still a positive impact on healthy lifestyles (Objective 12) and suitable housing (Objective 13), as even with a lower target, this still represents a commitment to affordable housing provision.

4.18 For Option D there is a positive impact on the wise use of land (Objective 2), a positive impact on healthy lifestyles (Objective 12), and a strong and significant beneficial impact on suitable housing (Objective 13), particularly if the higher range of the target is met.

4.19 For Option E there is a positive impact on healthy lifestyles (Objective 12), and suitable housing (Objective 13).

4.20 Conclusions and Implications for Preferred Options

4.21 The need to provide affordable housing is one of the most significant issues faced by Christchurch and East Dorset and a review of affordable housing policy through the Core Strategy is one of the key priorities. The evidence demonstrates significant levels of affordable housing need, but it is not possible to fully meet all local needs. A target should aim to increase delivery with a reasonable prospect of it being delivered. Findings from the Three Dragons Viability Study show that there is an ability to secure 40% affordable housing provision on all schemes in Christchurch and East Dorset, although in some low market areas of East Dorset some schemes may have to provide a lower proportion in order to remain viable. Taking into account these findings and other evidence on the supply and past trends a stretching but reasonable overall target for affordable housing across the area would appear to be 35%. This would result in a considerable increase in the delivery of affordable housing.

4.22 Although a higher target would result in the delivery of more affordable housing to meet more of the high level of identified need, there has to be clear evidence that this is a realistic target that is likely to be achieved. The evidence does not appear to support an even higher increase in past rates of delivery of affordable housing than previous years, as the Strategic Housing Land Availability Assessment results indicate a large proportion of supply expected to come through within the urban area in the next 15 years will be small sites. Thus there is an element of uncertainty as to the levels of affordable housing to be generated by a revised affordable housing policy in Option LN 12.

4.23 A lower target would result in less affordable housing being provided when the need is high. As a consequence this option is not considered as a reasonable option for further consideration.

4.24 Option D has the most support from the Issues and Options consultation. The reason why this was the most supported option may well have been because at the time of consultation, Option D was the Regional Spatial Strategy approach. This has since changed and Regional Spatial Strategy has been revoked. Therefore it is not proposed to carry forward this option but instead to put forward an option based on current evidence. Although Option E was not supported by the results of consultation, there were no comments made as to why this was unpopular. The viability studies point towards similar thresholds for affordable housing policy and do not highlight the need for different targets for each district. The levels of need are also of a scale that means that more than 100% of housing could be affordable. There is therefore no clear evidence to support a different approach to targets across both districts.

4.25 The preferred overall target of 35% sets out an annual expectation of affordable housing delivery across the Christchurch and East Dorset local authority areas. This takes into account variations of delivery of affordable housing on individual sites as there may be some 100% affordable housing sites and some which are financially unable to contribute a significant proportion.

4.26 To conclude, although not supported by the results of consultation, this option is supported by evidence and the Sustainability Appraisal. The Preferred Options should include a target of overall provision of 35% of affordable housing.

4.27 Options addressing this issue are set out under LN 9 and 10 at the end of this section.

Issue Identified at Issues and Options

AH2 What site threshold should the affordable housing Development Plan Document adopt?

4.28 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	Maintain the same thresholds as currently in operation in Christchurch and East Dorset – i.e. 15 or more in urban areas across the whole area and 5 or more in rural areas in East Dorset only?	30	35	6	71
B	Continue with the same threshold but with sites below the threshold required to make a financial contribution to affordable housing delivery?	26	36	5	67
C	Lower site thresholds in urban areas only to 10 units or more?	14	39	9	62
D	Lower the sites thresholds in urban areas only to 5 units or more?	10	45	6	61
E	Lower the site thresholds in rural area to 3 units or more?	10	45	6	61
F	Lower the site threshold in rural areas to 1 unit or more?	11	40	7	58

Table 4.2

4.29 Comments included:-

- Twynham Housing Association commented that a lower threshold could be adopted but a viability study needs to be carried out to see if it can be sustained.
- Corfe Mullen Parish Council suggested a modification so that funding arises from any development.
- There were several comments that the urban threshold should be a minimum of 3 units or more.
- Burton Parish Council commented that the threshold should be lowered in the urban area to 10.
- Several suggested that on-site provision should be on sites of 5 or more with financial contributions below.
- Evidence of level of need suggests that all market housing should make a contribution to meeting affordable housing needs. Lower site thresholds than PPS3 are clearly defensible. Approach adopted by New Forest seems sensible (DCC).
- Until the viability assessment is published, cannot comment further but suggest Councils explore possibility of lower thresholds in rural areas. There is nothing to suggest lower thresholds are deliverable, so this would fail test (iv) of the PPS12 tests of soundness.
- Concern over impact of lower thresholds on viability – could reduce number of housing sites coming forward.

- One respondent is unhappy with thresholds of any kind.
- One consultant suggests that the current threshold should be maintained to ensure smaller sites continue to be brought forward to contribute to overall housing requirements as well as secure other benefits.

4.30 Consideration of Evidence and Policy

4.31 PPS3 sets a national indicative minimum site size threshold of 15 dwellings. Local Authorities can set lower minimum thresholds, where viable and practicable, including in rural areas. To justify this, local planning authorities will need to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed, including their likely impact on overall levels of housing delivery and creating mixed communities.

4.32 The current threshold is set at 15 or more in urban areas in Christchurch and East Dorset and 5 or more in rural areas in East Dorset only.

4.33 Increasing the supply of affordable housing is a key priority for both Councils. The Housing Needs and Demands Study 2007 identified a need for 243 affordable homes a year in Christchurch and 440 a year in East Dorset. One of the key messages in the Christchurch BC Scrutiny Committee Report by the Affordable Housing Task & Finish Group 9.1.07 and the EDDC Final Report of the Environment and Health & Housing Scrutiny and Policy Development Sub-Committee into Affordable Housing in East Dorset (2008) was that the threshold for affordable housing policy should be reduced. There is a very high need for affordable housing in Christchurch and East Dorset and it is appropriate for the councils to consider a lower threshold.

4.34 Evidence of past completion rates for affordable housing for both districts (Graphs 2 and 3) shows that the numbers of affordable units being delivered has been variable but low, so the current threshold policies are not bringing forward significant numbers of units.

4.35 Three Dragons consultants were appointed by CBC, EDDC and three other Dorset authorities to undertake an affordable housing and residential economic viability study. The Christchurch and East Dorset reports (January 2010) analyse the impact of affordable housing and other planning obligations on scheme viability. The study examined the impact that varying site size thresholds would have on affordable housing supply, which involved looking at past and likely future site supply profiles.

4.36 The studies found that the supply of sites which has been coming through in recent years indicates that small sites make a major contribution to site supply and that a low threshold would capture a significant increase in affordable housing. In East Dorset 90% of completions took place on sites of below 15 dwellings over the three year period 2004-2007. The East Dorset Strategic Housing Land Availability Assessment estimated that 1,518 dwellings could be built over a 15 year period on sites of 15 dwellings or less. When considering the threshold level to set, the nature of the current land use plays an important role in the development economics of very small sites. Some sites down to 1 dwelling will be equally capable of delivering affordable housing as much larger sites, but some sites where the current use value is high and where demolition is involved means that delivery of affordable housing may not be possible if the scheme is to remain viable.

4.37 The viability studies recommended two possible options for thresholds in Christchurch and East Dorset -

- A zero threshold and accepting that some small schemes of 1 – 4 dwellings would not be viable and therefore a reduced or nil affordable housing contribution would be realistic
- A threshold of 5 and accepting that some smaller schemes which could contribute to affordable housing viably would be excluded from a contribution. In East Dorset this would remove the potential of 224 affordable dwellings being provided over a 15 year period (2008 Strategic Housing Land Availability Assessment). In Christchurch this would remove the potential of 266 affordable dwellings being provided over a 15 year period if a 40% proportion was applied (2008 Strategic Housing Land Availability Assessment). As the affordable housing needs are so high this option is not preferred, but should be considered as a valid alternative to the preferred one.

4.38 Issues and Options Sustainability Appraisal

4.39 Option A There would be adverse impacts on the provision of suitable housing (Objective 13).

4.40 Option B As this option would introduce financial contributions to affordable housing for all sites under the threshold, there would be a positive impact on the provision of suitable housing (Objective 13).

4.41 Option C As this option would lower the threshold in urban areas there would be a positive impact on the provision of suitable housing (Objective 13) but adverse impacts for rural areas (Objective 19).

4.42 Option D As this option would lower the threshold in urban areas there would be a positive impact on the provision of suitable housing (Objective 13) but an adverse impact for rural areas (Objective 19).

4.43 Option E As this option would lower the threshold in rural areas there would be a positive impact on the provision of suitable housing (Objective 13).

4.44 Option F As this option would lower the threshold in rural areas there would be a positive impact on the provision of suitable housing (Objective 13).

4.45 Conclusions and Implications for Preferred Options

4.46 There is a high level of affordable housing need and a poor level of past delivery of affordable housing. Threshold policies are a key tool to securing more affordable housing through the planning process. Lowering the current threshold would provide opportunities to secure more affordable housing. The Three Dragons viability studies conclude that it is possible to reduce the threshold to zero, although accepting that some small sites may not be viable. This will deliver the highest level of affordable housing and is therefore the preferred option.

4.47 The viability studies consider that a valid alternative option is to set a threshold of 5 for all areas. This would deliver fewer affordable homes and is therefore not the preferred option, but should be put forward as a valid alternative.

4.48 Maintaining the current threshold, or lowering it to 10, are not options that will be carried forward as it would not result in the delivery of affordable housing to provide the identified housing needs.

4.49 Options addressing this issue are set out under LN 11 and LN 13 at the end of this section.

Issue Identified at Issues and Options

4.50 Issue AH3: Are there any situations where off-site provision of affordable housing is appropriate?

Option		Agree	Disagree	No Opinion	Total
A	Yes, in exceptional circumstances	53	3	4	60
B	Yes, for flats development only	6	30	8	44
C	Yes, for developments of 15 units or less only	8	19	6	33
D	No, provision must always be on-site above the qualifying threshold	4	36	7	47

Table 4.3

- The suitability of small sites was discussed at the workshop held by Three Dragons which included Registered Social Landlord representatives. The Registered Social Landlords indicated that they were prepared to take on small numbers of affordable units in mixed tenure development. However there may be particular management issues in taking on small numbers of affordable housing in mixed tenure flats.
- Developments of 5 or more units should provide on-site affordable housing, unless exceptional circumstances (7 councillors and Burton Parish Council)
- The degree to which affordable housing is delivered should be a matter of discussion between officers and developers on a site by site basis. (Home Builders Federation)
- One planning consultant commented that the location of the sites should be taken into account – poorer households should not be remote from schools/shops/employment/services. Market considerations should also be taken into account.
- Site circumstances vary and there may be valid reasons why it would be inappropriate to provide affordable housing on-site. The policy should have sufficient flexibility to allow off-site contributions For instance, so that affordable housing is targeted in areas of identified greatest need. Where there is a greater or more urgent need for affordable housing in a different location to that in which the new housing development is being proposed. (De Vere Hotels, Persimmon Homes, Hall & Woodhouse, Canford Estate)
- In areas where desirable high market value sites might be used to lever in a greater amount of affordable housing than could be negotiated on site (Dorset County Council)
- Where the value of residential units being developed would be beyond the financial purchasing power of a housing association (Persimmon & Banner Homes)
- Where the provision of affordable housing could lead to complications of management and impact on service charges – e.g. sheltered housing (Canford Estate)
- The maintenance charges levied as part of blocks of flats would effectively make affordable housing unaffordable (Persimmon & Banner Homes)

- It is important that all market sites make a contribution to affordable housing. A contributions policy on sites below thresholds may also require a policy on how contributions will be spent. A “housing pot” could be provided for off site provision that would also allow buying into existing stock, or the refurbishment or remodelling of existing housing (DCC)
- Certain types of student or elderly housing accommodation (McCarthy & Stone)
- Where the economics of provision or the requirement to achieve a successful development may require a different solution (McCarthy & Stone)
- Where both parties agree that on-site provision would be impractical.(McCarthy & Stone)
- There should not be a high concentration of social housing. Those in social housing should be given every chance to integrate with the existing community. Planners and housing officers should have discretion to determine the percentage of affordable built on-site and provided elsewhere. Too high a concentration of social housing could cause problems on site (CPRE)

4.51 Consideration of Evidence and Policy

4.52 PPS 3 (Para 29) advises that “In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, when it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area.”

4.53 The Three Dragons study concluded that as a general principle seeking on-site provision of affordable housing should be the first priority and that provision of affordable housing on an alternative site or by way of a financial payment in lieu should only be used in exceptional circumstances.

4.54 The study noted that on-site provision may not be possible in certain circumstances where there are problems in viability on small sites which involve redevelopment of existing residential properties. In some situations with small sites where there is not a problem with viability it becomes impractical to achieve on-site provision due to the mathematical calculations of percentages – e.g. 40% of 1 to 4 dwellings. It is therefore appropriate that small sites of less than 5 dwellings should make a financial contribution rather than on-site provision.

4.55 There are other exceptional situations where off-site provision or financial contribution may be acceptable and these could include situations where alternative provision would allow priority needs to be better met or to provide a better distribution of social units throughout the districts.

4.56 Issues & options engagement with registered social landlords identified situations where on-site provision would not be preferable:

- Where the provision would incur high service charges.
- Mixing tenures would pose social strain. Such as within small blocks of flats.
- The location of the development is remote from local services / employment and would be generally unsuitable for people on a lower income.

4.57 Issues and Options Sustainability Appraisal

4.58 Option A No clear direct adverse or positive impacts were identified.

4.59 Option B This option has mostly a neutral effect on sustainability objectives, but there may be conflicts with the wise use of land (Objective 2) as land will have to be found elsewhere for affordable housing.

4.60 Option C The Sustainability Appraisal identifies a conflict with the wise use of land (Objective 2) as land will have to be found elsewhere for affordable housing.

4.61 Option D The sustainability appraisal identifies a positive impact on the wise use of land (Objective 2).

4.62 Conclusions and Implications for Preferred Options

4.63 PPS3 is clear that all types of housing sites, including housing for the elderly, should make provision for affordable housing. There are high levels of housing need in the elderly community in the same respect as for other types of housing.

4.64 Policy, evidence and the results of consultation support an approach to affordable housing policy where there should be exceptional circumstances to allow alternatives to on-site provision. This option should therefore be included in a preferred option.

4.65 It is agreed that an exceptional circumstance for off-site provision should include proposals that can target affordable housing to areas of identified greatest need. There are also concerns about too high a concentration of social housing causing problems on site in relation to the creation of mixed communities. An exception to on-site provision could be made if the off-site alternative would provide a better distribution of social units throughout the area.

4.66 The issue of the economics of provision requiring different solutions is relevant as it is accepted that there may be some situations where viability is a problem. In these situations solutions to overcome the problem could include providing grant, altering tenure mix, a reduced affordable housing contribution whether provided on-site, off-site or as a financial contribution. The affordable housing policy should incorporate the flexibility to deal with the situations where viability is an issue.

4.67 The approach to be taken towards management of split tenures within blocks of flats will need to be considered individually as each situation will differ. Solutions to any issues will need to be investigated by the developer, housing association, housing manager and planning officer at the time of application, but it is not proposed to exclude blocks of flats from the requirement to provide on-site affordable housing as this would reduce opportunities to secure additional affordable housing. Nevertheless, the preferred options should accept that difficulties of managing different tenures can justify off-site provision, or a financial contribution in lieu of on site provision.

4.68 In conclusion the following situations identified by consultees where off-site provision of affordable may be acceptable will be included in preferred options.

- Where off site provision would better meet priority needs.
- Where a better distribution of social units throughout the districts would help to create mixed communities.
- Where economic viability demonstrates that affordable housing can be provided better off-site.
- Where there would be difficulties in managing different tenures in the same building.
- On sites of less than 5 dwellings

4.69 Options addressing this issue are set out under Option LN 11 at the end of this section.

Issue Identified at Issues and Options

4.70 Issue AH4: What proportion of affordable housing should be required on qualifying sites?

4.71 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	Maintain the same proportions as in currently adopted planning policy – i.e. at least 30% for ChristchurchBC and 40% for East Dorset DC	5	14	1	20
B	The proportion should be increased to at least 40% for qualifying sites across both areas	18	12	1	31
C	The proportion should be increased to over 40% for qualifying sites	1	14	2	17
D	There should be a sliding scale of percentages based on the individual sites circumstances based on for example location, size of site, level of need.	31	6	1	38

Table 4.4

- The Councils should not over-burden development sites by requiring a high percentage of affordable housing to be delivered (Home Builders Federation)
- A viability study should influence the percentage that is sustainable, including other planning gains being sought and the availability or not of any grant funding. The level of affordable housing requirement has to be justified by a viability assessment (Home Builders Federation, Twynham Housing Association, Tetlow King Planning, Persimmon & Banner Homes, Canford Estates).
- Council should explore possibility of setting different requirements for different areas, or specifically to each of the urban extensions proposed. (Tetlow King Planning, De Vere Hotels, Canford Estates)
- Evidence of need suggests that the percentage should be as high as viably possible. A minimum level should be set that sends a clear expectation to developers that they will be expected to make a serious commitment. Taking into account 100% affordable sites, this could be in the region of 50% or higher (DCC)
- Proportion of affordable housing to be provided on each site needs to be discussed on a site by site basis, as it will need to take account of the overall level of development and full range of developer contributions that are being requested from that site.
- Should include a degree of flexibility – there may be situations where sites that are sequentially preferable and available for development may not be able to provide as high a level of affordable housing as other, less sustainable locations. The provision of some affordable housing on these sites is better than these sites not coming forward at all due to the financial implications of competing demands on development proposals (De Vere Hotels).
- The proportions should be the same for Christchurch and East Dorset – 30% max
- East Borough Housing Trust commented that private developers need clarity to encourage them to develop.

4.72 Consideration of Evidence and Policy

4.73 The two key policy levers to increase affordable housing delivered through the planning system are site size thresholds along with percentage of affordable housing sought. Lowering the thresholds and increasing the percentage of affordable housing can be undertaken as long as an informed assessment of the likely impact of changes of economic viability is undertaken.

4.74 PPS3 advises that an economic viability assessment must be undertaken to assess the impact of setting revised proportions of affordable housing to be required in affordable housing policy. The viability issue is a concern that is also reflected in the Issues and Options responses.

4.75 Three Dragons tested the impact of a range of percentages of affordable housing from 25% - 60% on the residual site values of a range of development mixes and densities in different locations across the districts. Their analysis led to the suggestion of the following options:-

- Christchurch: Two options
 - 40% across the Borough or
 - 50% of Christchurch Rural North (Green Belt area – Winkton, Hurn) and 40% for the rest of the Borough
- East Dorset: Three options
 - 40% across the District or
 - 50% in High Value Rural (Cranborne, Witchampton, Edmondsham, Whitmore) and 40% elsewhere
 - 50% in High Value Rural, 40% in Wimborne and East Dorset Rural (Wimborne, Colehill, Sixpenny Handley) and 35% in the southern settlements and low value areas (Corfe Mullen, West Moors, Ferndown, Alderholt, West Parley, Verwood and Three Legged Cross).

4.76 In Christchurch the affordable housing needs justify seeking the highest viable proportion. The potential 50% for Christchurch Rural North would apply to rural areas in the Green Belt where low levels of residential development are expected and the development of a rural exceptions policy can address affordable housing need. Therefore, a Borough wide proportion of 40% is identified as a preferred option.

4.77 The same applies within East Dorset, where the needs justify the requirement to provide the highest viable proportion. Although the viability study puts forward an option of applying 35% in the southern and lower value areas it still shows that schemes remain viable when 40% is applied. The preferred option for East Dorset should therefore require a 50% provision in the high value rural areas and 40% across the remainder of the District.

4.78 When considering the location of development, urban extension sites can be treated differently to the urban areas as the existing use value of green field land is very low, so dependant on other infrastructure requirements it can be possible to maintain viability. Dependant on the outputs of master planning work currently being undertaken for the proposed new neighbourhoods in Christchurch and East Dorset, it may be viable to pursue a 50% proportion. At this stage this should be considered as an alternative option in the Core Strategy.

4.79 Issues and Options Sustainability Appraisal

4.80 Option A This identified a positive impact in terms of increased provision of suitable housing (Objective 13).

4.81 Option B Positive impacts are identified for wise use of land (Objective 2) and suitable housing (Objective 13).

4.82 Option C There is a positive impact on wise use of land (Objective 2) and on suitable housing (Objective 13).

4.83 Option D There is a positive impact on wise use of land (Objective 2) and provision of suitable housing (Objective 13).

4.84 Conclusions and Implications for Preferred Options

4.85 The Viability Study results for Christchurch show that it is possible to increase the proportion of affordable housing to 40%, therefore the option of maintaining the same proportion (current policy – 30%) - would not be appropriate as it would result in missed opportunities to secure more affordable housing. East Dorset already has a policy of 40% across the district.

4.86 Therefore Option A which maintains the proportion of affordable housing at 30% for Christchurch will not be carried forward as it will not allow the opportunity to provide for affordable housing needs. This would result in lost opportunities to secure more affordable housing.

4.87 Although Option D is supported by public consultation, evidence does not support such a flexible approach. There is a danger that a range of percentages could lead to developers arguing that development requests should be at the lower end of the scale. A single percentage target across the Borough is simple and leaves no doubt about the authority's requirement.

4.88 The viability study puts forward alternative options for a single 40% target across both districts or 50% in the rural areas and 40% across the remainder, or in East Dorset's case 35% for one sub-market area. The affordable housing needs in the two districts justify a maximum viable proportion on qualifying sites. However, the potential 50% for Christchurch Rural North would apply to rural areas in the Green Belt where low levels of residential development are expected and the development of a rural exceptions policy can address affordable housing need. Therefore, a Borough wide proportion of 40% is identified as a preferred option. In East Dorset the viability study justifies a 40% proportion and 50% within higher value rural areas of the district.

4.89 When considering the location of development, there is a case for treating urban extension or new neighbourhood sites differently to the urban areas as it is traditionally less costly to develop greenfield sites than brownfield. Dependant on the outputs of master planning work currently being undertaken for the proposed urban extensions in Christchurch and East Dorset, it may be viable to pursue a 50% proportion. At this stage this should be considered as an alternative option in the Core Strategy.

Issue Identified at Issues and Options

4.90 Issue AH5: How should the Affordable Housing Development Plan Document develop policies for the type and size of affordable housing?

4.91 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	The priority for affordable housing provision should be for family sized properties – i.e. 3 bedrooms or above for Christchurch and East Dorset	4	14	1	19

B	Affordable housing schemes in Christchurch and East Dorset should be prioritised for units of 2 bedrooms or above.	19	10	1	30
C	The priority should be for 1 bedroom affordable housing units	4	14	0	18
D	The size of affordable housing provision should be decided on an individual site basis to enable more local needs to be taken into account.	50	4	2	56

Table 4.5

4.92 Comments can be summarised as:-

- East Boro' Housing Trust commented that needs must be assessed against the overall supply and housing market at the time.
- The precise mix of affordable housing in any housing development should be a matter for negotiation between developers and the council, taking on board the latest information from the evidence base, the availability or not of grant funding, current market conditions and the nature and characteristics of each site. It is not for the Council to seek to dictate a precise mix for all housing developments, where over a lengthy period, circumstances may change. Housing needs will change over the lifetime of the development plan and vary throughout the districts. The size of affordable housing should be decided on an individual site basis to enable more local needs to be taken into account. (Home Builders Federation, Terence O'Rourke, Persimmon & Banner Homes,)
- Affordable housing provision should be determined on a site by sites basis. This will enable local needs to be considered and will ensure each site has regard to the intended residents – e.g. mixing sheltered accommodation and larger family units on the same site may increase tensions that could have been avoided by the provision of alternative affordable housing (McCarthy & Stone)
- The plan should not specify size of affordable housing provision as housing needs will change over the lifetime of the plan and vary at the local level throughout the districts. Instead the size of affordable housing should be decided on an individual site basis to enable more local needs to be taken into account. (Bloor Homes, McCarthy & Stone)
- The size, type and tenure of affordable housing should be closely linked to the Strategic Housing Market Assessment findings. The Strategic Housing Market Assessment findings should be a starting point for negotiation with developers. (Tetlow King)
- PPS 3 requires a degree of prescription within Development Plan Documents. Strategic Housing Market Assessment findings provide evidence. However some flexibility may be necessary between social rented and intermediate to allow for changing circumstances or the economics of particular sites (DCC).
- Object to councils prescribing size of affordable homes where these are not subject to public subsidy. Where public subsidy is not provided, the Council cannot prescribe size requirements. There is no policy basis for this nor has the council undertaken any viability assessment to substantiate this requirement. (Home Builders Federation)

- Clarification is needed about how extra care (Category 2.5) housing, classed as special needs housing, will be treated. Current EDDC policy is to seek the provision of affordable or special needs housing and thus if a scheme is providing special needs housing the requirement to provide affordable housing would be reduced or removed. (Tanner & Tilley).
- The type and size of affordable housing should also take account of the mix of housing to be provided in the development – including market housing. On sites developed entirely for affordable housing this should reflect local need as long as this is not out of character in the area. (Sibbett Gregory, Hall & Woodhouse)

4.93 Consideration of Evidence and Policy

4.94 National (PPS3) policy requires that proposals for affordable housing reflect the size and type of affordable housing required. Evidence on the demand for different sizes of affordable housing is provided in the Strategic Housing Market Assessment, which makes use of the Dorset Survey of Housing Need and Demand 2007 and the Housing Registers.

4.95 The Dorset Survey of Housing Need and Demand 2007 identifies that within the social rented sector:

- In Christchurch there is more of a demand for 3 bed properties and there appears to be a surplus of one bedroom properties.
- In East Dorset the demand is more evenly split between 2, 3, and 4 bed properties with the most demand for 3 and 4 bed properties.

4.96 In the intermediate sector:

- In Christchurch the demand is more for 1 and 2 bed properties.
- In East Dorset the most demand is for 2 bed properties.

4.97 The East Dorset Local Plan requires the provision of either affordable or special needs accommodation. This reflected national policy within Circular 06/98: Affordable Housing. PPS3 replaces this Circular and the requirement to provide for special needs accommodation has been removed. The preferred option should therefore only relate to an affordable housing requirement.

4.98 Issues and Options Sustainability Appraisal

4.99 Option A There is a positive impact on wise use of land (Objective 2), as priority would be given to the type of housing that is most needed. There is a beneficial effect on healthy lifestyles (Objective 12), as priority to family housing will include more garden area for children to play. There is a strong and significant beneficial effect on suitable housing (Objective 13), as the option tailors the size and type of affordable housing to meet identified need.

4.100 Option B There is a positive impact on wise use of land (Objective 2), as priority would be given to the type of housing that is most needed. There is a beneficial effect on healthy lifestyles (Objective 12), as the priority to size of housing most needed would improve the health of those in unsuitable housing. There is a strong and significant beneficial effect on suitable housing (Objective 13), as the option tailors the size and type of affordable housing to meet identified need.

4.101 Option C There is a positive impact on wise use of land (Objective 2), as priority would be given to the type of housing that is most needed. There is a beneficial effect on healthy lifestyles (Objective 12), as the priority to size of housing most needed would improve the health of those in unsuitable housing. There is a strong and significant beneficial effect on suitable housing (Objective 13), as the option tailors the size and type of affordable housing to meet identified need.

4.102 Option D There is a positive impact on wise use of land (Objective 2), as priority would be given to the type of housing that is most needed. There is a beneficial effect on healthy lifestyles (Objective 12), as the priority to size of housing most needed would improve the health of those in unsuitable housing. There is a strong and significant beneficial effect on suitable housing (Objective 13), as the option tailors the size and type of affordable housing to meet identified need.

4.103 Conclusions and Implications for Preferred Options

4.104 PPS3 considers that the size and type of affordable housing, based on the findings of the Strategic Housing Market Assessment should be set out within local planning policy. The evidence supports the inclusion of Option A as a preferred option as this shows that there is a significant demand for 3 bed social rented units. However, in terms of number of responses to the consultation more respondents consider there should be a priority for 2 bedroom units. However, most respondents felt that the Core Strategy should not specify a mix of units, but that each site should be individually negotiated.

4.105 The issue of size and type of market and affordable housing is addressed in Issue 1 of the Delivering Suitable and Sufficient Housing Key Issues Paper. The Preferred policy option put forward refers to the need for new affordable housing to reflect current and projected local housing needs identified in the latest Strategic Housing Market Assessment findings, and informed by future Annual Monitoring Reports. This is not considered to be too prescriptive and ensures links are made to current Strategic Housing Market Assessment findings. It is agreed that the size of affordable housing should also take into account the mix of all housing in the development.

4.106 Taking into account evidence and results of consultation, it has therefore been concluded that two options should be taken forward for consideration:

- A policy requiring an appropriate mix of units taking into account local evidence and referring to the Balancing Housing Markets analysis within the Strategic Housing Market Assessment.
- A policy giving guidance on priorities of size of housing.

4.107 The first alternative option more closely reflects this option as it reflects the need to take local needs into account.

4.108 Options and alternatives relating to this issue are set out under the Options LN1 - LN4 in Chapter 14 Meeting Local Needs of the Core Strategy Options for Consideration document.

4.109 Issue Identified at Issues and Options

4.110 Issue AH6: How can we develop policy for the tenure of affordable housing?

4.111 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	The current recommended split of 70% social rented and 30% intermediate housing is an appropriate mix across both areas.	11	8	2	21
B	A split of 80% social rented and 20% intermediate housing across both areas	1	11	2	14
C	A split of 90% social rented and 10% intermediate housing across both areas	0	11	2	13
D	The tenure split should be weighted more to intermediate housing where there is an identified need.)	18	3	2	23
E	The Development Plan Document should not have a recommended tenure split between social rented and intermediate housing but address each case on an individual basis	27	6	1	34

Table 4.6

4.112 Comments included:-

- Suggest an intermediate product that is mortgage only (CPRE).
- Assess needs against the overall supply and housing market at the time (East Boro Housing Trust).
- Local planning authorities need to be receptive to novel forms of provision e.g. shared equity housing without asking rent for the retained equity (Sibbett Gregory).
- The current 70/30 split should be the basis of a site by site discussion with Christchurch Borough Council (Twynham Housing Association).
- Object to policy to guide tenure of affordable housing. Although there is a clear need for social housing now, this may not be the case in the future. Instead the mix should be derived from an up-to-date Strategic Housing Market Assessment which should guide development and enable the development industry to react and provide accordingly for a dynamic housing market rather than inflexible planning policy seeking to determine long term requirements (Home Builders Federation).
- PPS 3 promotes the inclusion of a policy relating to tenure, based on identified local need (Hall & Woodhouse).
- Any recommended split should be treated flexibly to allow for site specific circumstances, housing need and the availability of grant funding to be taken into account (McCarthy & Stone).
- Welcome the recognition of the role intermediate housing can take in the provision of affordable housing and would recommend that this form of tenure is not marginalised (McCarthy & Stone).

- Affordable housing provision could include affordable rent, sub market (intermediate) rent, shared ownership or discounted market. Good information on need is required as is how affordable each option is in meeting its needs. Differing tenures have a greater or lesser impact on scheme viability as is the availability of social housing grant to add value to scheme by improving such things as tenure sustainability etc (Canford Homes).
- Favour flexible approach in determining precise tenure splits but request current policy position required. EDDC Affordable and Special Needs Housing and Provision of Small Dwellings Supplementary Planning Guidance states that “The Council therefore expects the majority of affordable housing provision to be social rented (94%) with only small levels of shared ownership (4%).

4.113 Consideration of Evidence and Policy

4.114 The current policy for Christchurch Council - adopted by the CBC Scrutiny Committee 9.1.07 (Report by the Affordable Housing Task and Finish Group) is for a split of 70% social rented and 30% intermediate housing. East Dorset seeks a split of 10% intermediate and 90% social rented, although schemes have been negotiated which include a higher proportion of intermediate housing.

4.115 PPS3 requires us to set separate targets for social rented and intermediate housing where appropriate. It does not identify low cost market housing as a means of delivering affordable housing.

4.116 The Balancing Housing Markets analysis suggests that the split between social rented and intermediate should be 52% / 48% for Christchurch and 75% / 25% split in East Dorset. To be of most use to those in need, intermediate housing should be priced around the mid-point of the intermediate gap (between social and private rent). However some intermediate products often fall above this level. Analysis revealed that the study results should be taken with caution as this may not reflect households' ability to pay for this type of accommodation. A further assessment was undertaken of those who could afford a product at 80% of the market rent (“intermediate rent”). This is considered to be a more realistic assessment of the proportions of those able to afford intermediate housing. It was found that 9% of those in housing need in Christchurch and 15% in East Dorset can afford intermediate rent. On this basis the recommended split would be 90% / 10% in Christchurch and 85% / 15% split in East Dorset.

4.117 The Three Dragons Viability Study used a 70 / 30 split for their modelling on the basis that the further assessment work referred to above justified a split that is more heavily weighted towards social rented housing. As an alternative a 50 / 50 split was also tested to assess the impact of increasing the proportion of intermediate housing within the affordable housing element.

4.118 Issues and Options Sustainability Appraisal

4.119 Option A There is a positive impact on the objective to provide more suitable housing (Objective 13).

4.120 Option B There is a positive impact on the objective to provide more suitable housing (Objective 13).

4.121 Option C There is a positive impact on the objective to provide more suitable housing (Objective 13).

4.122 Option D There is a positive impact on suitable housing (Objective 13), although perhaps less than other options if the weight towards intermediate housing results in those unable to afford it lacking accessibility to housing.

4.123 Option E This option has mainly a neutral effect on sustainability objectives. There is a positive impact on the provision of suitable housing (Objective 13).

4.124 Conclusions and Implications for Preferred Options

4.125 PPS3 requires Local Authorities to set separate targets for social rented and intermediate housing where appropriate. Having a target provides clarity to developers. The majority of respondents support no policy for a recommended tenure split and for each case to be addressed on an individual basis, although of the tenure splits suggested in other options, the 70/30 split is the only one with majority support, which reflects the current Christchurch policy. There are currently significant financial problems with delivering intermediate housing. The Housing Needs and Demands Survey acknowledged that such housing is not currently affordable. This underlines the need for policy to allow a degree of flexibility. The Core Strategy sets policy for a long period and it may be that the financial problems are overcome and allow for intermediate housing to be delivered. Intermediate housing provides valuable opportunities for some households to gain access to the housing market and is particularly helpful for working age households.

4.126 Option D does not give guidance on a recommended tenure split. Rather it states that the tenure split should be weighted more toward intermediate housing where there is an identified need. However, the need for social rented accommodation is the highest priority for both the Councils, as the largest number of those in housing need cannot afford intermediate accommodation. A tenure that is weighted towards the provision of social rented accommodation is therefore preferred. Nevertheless, there is a need for flexibility, and it may be that on some sites a tenure split more weighted to intermediate housing would be appropriate. There is a risk that if no target was set, applicants would propose tenure splits that are more weighted towards intermediate housing which would not meet the substantial need for social rented housing. Therefore, a guideline tenure split provides clarity and should be included, but the need for flexibility should also be incorporated into a policy. The evidence provides a realistic assessment on ability to afford intermediate rent. In view of the current affordability issues associated with intermediate housing a preferred split is 90 / 10 for Christchurch and 85 / 15% for East Dorset. An alternative preferred option could also be a 70/30 split, taking into account the weight in favour of social housing and the likelihood of a recovery in the economy which would facilitate the delivery of intermediate housing. Another alternative option would be to have no recommended tenure split.

4.127 Options addressing this issue are set out under Options LN 11, LN 14 and LN 15 at the end of the section.

Issue Identified at Issues and Options

4.128 Issue AH7: Key worker housing definition

4.129 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	The definition of key worker should remain as it is	15	20	1	36
B	A local definition of key worker be adopted	46	2	1	49

Table 4.7

4.130 Comments included:-

- The evidence does not justify altering the definition (GOSW).
- Each area will have a different definition based on local needs (Twynham Housing Association).
- Should reflect local industries / employment market (East Dorset Housing Association).
- Any worker that provides a service to the community. Any employers could describe their staff as key workers to their business (CPRE).
- Premature to comment in advance of evidence of whether key workers are struggling to afford homes in the area and if there is a problem with retention of key workers due to rising local house prices. (individual, Tetlow King Planning, Canford Estate, McCarthy & Stone)
- National definition should be used as a starting point and study undertaken to assess what groups, if any, are more in need than others and use this research to inform the key worker definition (Canford Estate).
- Key workers should be people who it would be more difficult to replace. Local Government officers should not be regarded as key workers. If the salary is not enough, supplements should be paid as in Bournemouth Borough Council (Sibbett Gregory).
- There should be no target for the provision of key worker housing and the need should be determined on an individual site basis (McCarthy & Stone).
- Should be a narrow definition of police, health and fire employees only (West Moors Parish Council).

4.131 Consideration of Evidence and Policy

4.132 The national definition of key worker housing is “*people employed by the public sector in a frontline role delivering an essential public service in health, education or community safety in areas where there are serious recruitment/retention problems.*” There is already a local definition of key worker housing which is more extensive than the national definition. Homebuy, the agents for low cost home ownership products in the area, set out a local list of categories of key worker employment. This identifies various job titles under the categories of NHS, Police, Education, Probation Service, Prison Service, Local Authority and Fire fighters.

4.133 The Housing Need and Demand Surveys identify a comparatively small need for key worker housing in each District. No evidence has been provided by key worker employers of a difficulty in recruiting due to employees being unable to afford housing.

4.134 Issues and Options Sustainability Appraisal

4.135 Option A The Sustainability Appraisal does not identify any clear positive or adverse impacts for this option.

4.136 Option B The Sustainability Appraisal recognises that there is a potential beneficial impact on the need to travel (Objective 7), as more key workers could be able to live close to their place of work. There is also a positive impact on suitable housing (Objective 13).

4.137 Conclusions and Implications for Preferred Option

4.138 There was consultation support for adopting a local definition of key worker housing, although not by Government Office South West. However, the response to Issue AH9 clearly shows that a specific key worker policy is not favoured. The results of the Housing Needs and Demands studies indicate that key workers appear to be in a better position than other households in respect of their ability to afford market housing.

4.139 In conclusion, the evidence and consultation response does not support the inclusion of a key worker housing policy, so this should not be pursued as a preferred option.

Issue Identified at Issues and Options

4.140 Issue AH8: What categories of key worker should a revised definition include?

4.141 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	Housing employees	12	27	12	51
B	Police employees	52	2	5	59
C	Health employees	54	1	6	61
D	Fire employees	50	2	6	58
E	Planning employees	11	29	14	54
F	Environmental Health employees	24	18	11	53
G	Social services employees	37	10	9	56
H	All other public sector services employees	11	26	14	51
I	Private Sector Employees	18	12	14	44

Table 4.8

4.142 Comments are summarised below:-

- Key workers should not be confined to the public sector as some workers in the private sector may be low earners and may fall through the gap in terms of eligibility for social rented or intermediate housing (Linden Homes, Lennon Planning).
- Key workers should include industrial, agricultural and commercial sectors of society and not limited to public sectors.
- This only appears to protect government employees. What about the people who generate the wealth of the nation?
- Teachers
- Private sector should be included taking into account service being provided and labour market supply.
- A key worker is somebody who would need replacing the same day if they withdrew their labour.

- Bus drivers (individual, Canford Estate).
- Education employees (FROGS).
- Some self employed trades e.g. qualified plumber / electrician, if local need dictates (FROGS).
- Manufacturing – as it has been largely exported, anyone making anything for home consumption or export should be considered a key worker.
- It is premature to comment on a strategy for key workers in advance of evidence of whether key workers are struggling to afford homes in the area and if there is a problem with retention of key workers due to rising local house prices. A needs survey is needed to test if all in Options A – J and possible others should be included (Tetlow King Planning, Canford Estate).
- Key workers should not be defined by employment type. Individual cases should be taken into account where there are hard to fill positions (individual, Sibbett Gregory).

4.143 Consideration of Evidence and Policy

4.144 Please see evidence for Issue AH7.

4.145 Issues and Options Sustainability Appraisal

4.146 Positive benefits include a reduction in need to travel for employees and benefits to sustainable economic growth (Objective 7). There is a clear positive impact on suitable housing provision (Objective 13).

4.147 Conclusions and Implications for Preferred Options

4.148 As set out under Issue AH7 a preferred option relating to key worker housing will not be taken forward.

Issue Identified at Issues and Options

4.149 Issue AH9: How can the Development Plan Document develop policy to provide key worker housing?

4.150 Issues and Options Consultation Response

Option		Agree	Disagree	No Opinion	Total
A	There should be an overall target for key worker provision across the plan area set out as a percentage of total affordable housing provision equating to 5% of total affordable housing provision. Taking Regional Spatial Strategy targets, equating to 3 – 5 units a year in Christchurch and 6 – 10 units a year in East Dorset	8	14	3	25

B	There should be an overall target for key worker provision across the plan area set out as a percentage of total affordable housing provision equating to 10%. Taking Regional Spatial Strategy affordable housing targets, equating to 6 – 10 units a year in Christchurch and 11 – 19 units a year in East Dorset.	13	13	2	28
C	There should be no target for the provision of key worker housing and instead its need should be considered on an individual site basis.	53	2	1	56

Table 4.9

4.151 Comments are summarised below:-

- This needs to be evidence based. From what has been set out in the Issues & Options paper, no case for altering the definition in the two districts can be recognised.(GOSW)
- There should be no standard policy. Individual circumstances should be taken into account. There should be provision for constant policy change as circumstances prevail (East Dorset Housing Association).
- Premature to comment on a key worker strategy in advance of evidence of whether key workers are struggling to afford homes in the area and if there is a problem of retention of key workers due to rising house prices (Tetlow King Planning, individual).
- Key workers should be those needed for an employment use on site or nearby, e.g. agricultural workers, staff for an on-site business, e.g. hotel workers (Sibbett Gregory).
- Possible part of on-site provision could be key worker rent or LCHO (normally the latter). There are locations which may suit one type of key worker. The relative need of key workers may be less than those identified as being in need on the Housing Register. Option C provides greatest flexibility (Canford Estates).
- Too much key worker housing in a small geographical area could impact on sales. The issue is, what is the demand for key worker housing? (Twynham Housing Association)
- Demand for key worker housing must be quantified and then a suitable % provided to meet the need (CPRE).

4.152 Consideration of Evidence and Policy

4.153 No evidence has been provided by key worker employers of problems in recruitment due to employees being unable to afford housing. Evidence from Christchurch and East Dorset's Housing Need and Demand Studies indicate that key workers are generally in a better position than other households in respect of their ability to afford market housing. In East Dorset 93% of households headed by a key worker are in owner occupied accommodation. They also have a higher gross annual household income (£49,269) than non key worker households (£42,359). Of the 328 key worker households who were unable to afford market entry level prices in East Dorset, 30% could afford intermediate accommodation. In Christchurch 89% of key worker households are living in owner occupied accommodation. They have a higher gross annual household income (£41,209) than non key worker households in employment (£35,476). Of the 226 key worker households who were unable to afford market entry level prices in Christchurch, 36% can afford intermediate housing.

4.154 Issues and Options Sustainability Appraisal

4.155 Option A No clear direct adverse impacts were identified through the initial Sustainability Appraisal. There are positive impacts for suitable housing (Objective 13) and sustainable economy (Objective 24).

4.156 Option B No clear direct adverse impacts were identified through the initial Sustainability Appraisal. There are positive impacts for suitable housing (Objective 13) and sustainable economy (Objective 24).

4.157 Option C No clear direct adverse impacts were identified through the initial Sustainability Appraisal. There are positive impacts for suitable housing (Objective 13) and sustainable economy (Objective 24).

4.158 Conclusions and Implications for Preferred Options

4.159 The consultation results for Issue AH9 do not support a target for key worker housing, which indicates that key worker provision is not seen as a priority by the respondents. Housing Need and Demand study results indicate that key workers appear to be in a better position than other households in respect of their ability to afford market housing.

4.160 Evidence from the Christchurch and East Dorset's Housing Need and Demand Study indicates that key workers appear to be in a better position than other households in respect of their ability to afford market housing. Therefore, there is no requirement to set a target for provision in the plan area.

4.161 Certain categories of intermediate housing, in particular intermediate rent (which is rent below the private rented sector price, but above housing association levels) can meet the needs of key workers or people on low incomes.

4.162 In conclusion, the evidence and results of consultation do not support a target for the provision of key worker housing. Instead key worker housing needs will be taken into account when considering proposals for intermediate housing.

Issue Identified at Issues and Options

4.163 Issue AH10: Should the Affordable Housing Development Plan Document develop an Affordable Housing Rural Exceptions Policy?

4.164 Issues and Options Consultation Response

Option	Agree	Disagree	No Opinion	Total
A Yes we should have a Rural Exception Site policy to secure additional affordable housing within and adjoining existing villages to meet local needs in perpetuity	51	13	7	71

C	No there should not be a Rural Exceptions policy in Christchurch and East Dorset for securing additional affordable housing in rural areas	18	28	9	55
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Table 4.10

4.165 Comments were:-

- Exceptions should only be made in the rural areas provided the provision is for local need and kept for local need in perpetuity (Vale of Allen Parish Council).
- Councils should have a strategic policy encouraging 100% affordable housing schemes within or adjacent to the boundary of a number of listed settlements. Also Councils should make it clear that they will consider any 100% affordable housing schemes within urban areas favourably (Tetlow King Planning, individual)
- In perpetuity is the key word for rural exception sites. The land owner may want to retain some control over his land (CPRE).
- Strongly recommend rural exception policy for both districts. Although rural exception sites do not provide a large amount of affordable housing, they are still a highly effective policy tool for delivering a significant level of much-needed affordable housing in rural areas.
- Exceptions policy can deliver significant amounts of affordable housing but requires a restrictive policy regime to be enacted effectively. This does not necessarily mean only national restraint restrictions such as the Green Belt. Locally imposed restraint policies should also be developed such as focusing market housing to a restrictive number of locations/settlements (A/B category settlements only). An alternative approach is to direct all market housing to A/B category settlements and have an intermediate level of key settlements where 25% market housing is possible – this could help registered social landlords make schemes viable – and then provide an exceptions approach within smaller villages.
- Given the lack of comprehensive evidence base and any modelling on the potential impact on viability, at this time we are unable to support a rural exception policy (McCarthy & Stone).
- As long as there is an over-riding local need where a local connection can be proved, A and B are appropriate. Securing accommodation for the long term is equally important. Meeting village needs important. This issue is not so important adjacent urban settlements (Canford Estate).
- Rural exception sites should be small, no more than 5 – 10 dwellings attached to small villages.
- It is not possible to provide such housing in perpetuity (Christchurch Local History Society).
- Rural exception policies bring much needed housing to villages but may also have significant impacts on the rural landscape.

4.166 Consideration of Evidence and Policy

4.167 National planning policy (PPS3) allows for the allocation and release of sites solely for affordable housing to meet local needs in perpetuity using a rural exception site policy. This enables small sites to be developed for affordable housing in small rural communities that would not normally be released for housing because they are subject to restraint policies – e.g. Green Belt. There are currently no rural exception site policies in Christchurch. At the time the Local Plan was adopted national policy did not allow for such development within the inner Green Belt. For SE Dorset this would include the Green Belt in Christchurch. In East Dorset there is currently a rural exceptions site policy, but this only applies to the outer Green Belt area and the rural areas outside the Green Belt.

4.168 Tables A1.16 and A1.17 of the East Dorset Housing Need and Demand Survey (2007) identify unmet existing and future needs in the rural areas. This need is hidden by the general picture of household prosperity found in these areas. The needs provide justification for a rural exceptions policy to deliver additional affordable housing. Christchurch Borough is largely urban with just 1.3% households resident in a rural area. The profile of rural housing in the Survey shows a general higher level of prosperity in these areas, but should be treated with caution as this is based on such a small sample.

4.169 Hurn village is within 400 metres of the Dorset Heathlands SPA and Dorset Heaths SAC, Town Common SSSI and Dorset Heathlands Ramsar site. Advice from Natural England is that no conventional residential development should normally be allowed within 400 metres of these sites and those beyond 400 metres but within 5 kilometres should provide adequate mitigation for their impacts. Therefore there is a constraint on any further residential development in Hurn village and it is not appropriate for the Core Strategy to identify it as an area where a rural exceptions policy would apply.

4.170 Issues and Options Sustainability Appraisal

4.171 Option A There are potential conflicts with protecting habitats (Objective 1) and the wise use of land (Objective 2). There is a potentially significant adverse impact on reducing the need to travel (Objective 7). However there are also strong and beneficial impacts for delivering affordable housing (Objective 13).

4.172 Option C This option has significant adverse impacts on suitable housing (Objective 13).

4.173 Conclusions and Implications for Preferred Options

4.174 A rural exception sites policy is strongly supported through the Issues and Options engagement process as another means of delivering additional affordable housing. As there is a clear need for affordable housing, every possible opportunity to increase its delivery should be considered. Initial findings from the Viability Study conclude that viability is not relevant when considering rural exception sites. Rural exception sites have a much lower land value, although they often still require a grant to make them financially viable. Nevertheless, general infrastructure requirements could make these schemes financially un-viable and may have to be waived to provide for local housing needs to be met.

4.175 However, in Christchurch's situation the implications may be more limited as the National rural exception site policy is intended to apply to small rural communities with a population of under 3,000, (see para 30 of PPS3 and footnote) which rules Burton out as it has a population of over 4,000.

4.176 Taking into account evidence, results of consultation and the Sustainability Appraisal. it is concluded that the Preferred Options should include a policy which allows for rural exception sites for small scale affordable housing in small rural communities, provided a local need can be demonstrated, it is in scale and keeping with the form and character of the community, it is well related to community services and facilities, and it is has a planning condition or obligation to ensure that affordable housing will remain available in perpetuity to meet local housing needs. In Christchurch this would apply to the Winkton settlement but not Hurn. This is because Hurn village is within 400 metres of the Dorset Heathlands SPA and Dorset Heaths SAC, Town Common SSSI and Dorset Heathlands Ramsar site. Advice from Natural England is that no conventional residential development should normally be allowed within 400 metres of these sites and those beyond 400 metres but within 5 kilometres should provide adequate mitigation for their impacts. Therefore there is a constraint on any further residential development in Hurn village.

4.177 Options addressing this issue are set out under Option LN 16 and LN 17.

4.178 Option B: Yes, we should introduce a Rural Exception Site policy to secure additional affordable housing on the edge of the existing urban areas to meet local needs in perpetuity

4.179 Issues and Options Consultation Response

Agree	Disagree	No Opinion	Total
42	15	11	68

Table 4.11

4.180 Comments were

- Agree but only if proven there are no brownfield sites available (Williams Lester Architects).
- Agree – do not mix affordable housing with private housing as different types of people. Value of private houses lowered (Verwood Town Council).
- An individual commented that it would open the floodgates for urban sprawl and further erosion of the Green Belt.

4.181 Consideration of Evidence and Policy

4.182 National policy does not mention an exception site policy that could apply to urban areas.

4.183 There is a high level of need for affordable housing in both districts. The need is shown to be greater than the current ability to provide. Both Housing Need and Demand Surveys identify a significant annual housing need. Both Districts have failed to provide significant levels of affordable housing to meet the needs as shown in the Annual Monitoring Reports.

4.184 The age profile of East Dorset is ageing dramatically, while working age residents will reduce significantly. Over the period 1995 to 2005 in-migration in East Dorset amounted to 8,209 people (9.7% of the population).

4.185 Issues and Options Sustainability Appraisal

4.186 There are potential conflicts with protecting habitats (Objective 1) and wise use of land (Objective 2). There are strong and significant beneficial impacts for the delivery of affordable housing (Objective 13).

4.187 Conclusions and Implications for Preferred Options

4.188 Exceptional measures are required to deliver affordable housing in a meaningful way to meet the high levels of need. The urban areas of East Dorset are small, but are larger than the National policy threshold of 3,000 people. They are not a built part of the SE Dorset conurbation as they lie within a rural context. East Dorset is subject to very high levels of in-migration from retired age groups. This makes it hard for local working age households to

access the housing market. The future population projections predict that the East Dorset population will age significantly over the lifetime of the Core Strategy. An urban exceptions policy could help to provide working age affordable accommodation in the District for local people to help address this imbalance.

4.189 A rural exceptions policy to secure the delivery of affordable housing on the edge of urban areas was supported by the Issues and Options consultation process. However, some concern was expressed about the Green Belt being compromised around the urban areas.

4.190 Apart from the urban extension site north of Christchurch, it is not envisaged that there will be significant changes to the Green Belt boundary through the Local Development Framework. Christchurch is part of the SE Dorset conurbation and it is difficult to envisage any sites suitable for urban exception sites around the boundary of the main built-up area. However Burton is a large residential area of about 4,000 population surrounded by Green Belt but close to the urban area of Christchurch. It does not meet the threshold of 3,000 for rural exceptions policy. However, land to the east of Burton currently in the Green Belt is identified within the Council’s area of search which provides some support for the appropriateness of housing development in this location subject to infrastructure constraints and landscape impact. As every opportunity should be taken to secure more affordable housing, an urban exceptions policy would enable the delivery of small exception sites for 100% affordable housing around the edge of Burton.

4.191 Options relating to this issue are set out under Option LN 16 and LN 17.

Issue Identified at Issues and Options

4.192 Issue AH11: For which other methods of affordable housing delivery should the Affordable Housing Development Plan Document develop policy?

Option A: Re-use of empty homes

4.193 Issues and Options Consultation Response

Agree	Disagree	No Opinion	Total
69	7	1	77

Table 4.12

4.194 Comments were:-

- Only after 12 months empty with an appeal process.
- Agree but concern that pressure may be put on single elderly, widowed or divorced individuals to give up the family home.

4.195 Consideration of Evidence and Policy

4.196 Only 1.9% of dwellings within East Dorset and 2% within Christchurch (Feb 2010) are classed as empty. This is well below the national and regional average, so opportunities are small. Christchurch and East Dorset already have adopted Empty Property Strategies which promote the more sustainable use of empty properties in tackling housing need and in the case of East Dorset contain targets to bring back empty properties into use.

4.197 Issues and Options Sustainability Appraisal

4.198 No clear adverse impacts are identified for this option. There is a strong beneficial impact on wise use of land (Objective 2), and suitable housing (Objective 13). There is also a positive impact on the minimisation of waste and recycling (Objective 5) as existing buildings are used rather than building new. Depending on where the existing property is, there could also be a reduction in the need to travel (Objective 7).

4.199 Conclusions and Implications for Preferred Options

4.200 This option is supported by the results of the Issues and Options engagement and would help to provide much needed affordable housing.

4.201 This Option is supported but it is recognised that the reuse of empty homes will not be secured through the development management decisions. A textual reference should therefore be made to the need for the Councils and other relevant bodies to bring back empty dwellings into use as affordable homes. Suggested wording is set out at the end of Issue AH11.

4.202 Option B: Change of tenure of open market housing

4.203 Issues and Options Consultation Responses

Agree	Disagree	No Opinion	Total
43	14	9	69

Table 4.13

4.204 Of those who agreed, comments included:

- Where housing is in sustainable locations and subject to fair price being paid to sellers.
- Unsure of mechanism – would this involve the change of use of completed open market housing purchased by a registered social landlord? (Lennon Planning, Linden Homes).

4.205 Of those who disagreed comments included:

- Change of tenure of open market housing would not be achievable. People living in housing association property need to expect to have to relocate within the same area if the house becomes too big for their requirements.

4.206 Consideration of Evidence and Policy

4.207 National policy supports the use of methods other than new-build to secure additional affordable housing. A change in tenure of existing housing stock is a sustainable way of achieving more affordable housing. This method is already in operation in Christchurch and East Dorset. It has accounted for a total of 21 additional affordable homes in Christchurch in 2008/9 – 14 changes of tenure to social rent and 7 changes of tenure to intermediate. In East Dorset there are already about 38,000 existing dwellings of which only 8% are social rented. In Christchurch there are about 21,500 households of which only 12% are social rented. This is significantly below the national average and is one of the reasons why there is such a high affordable housing need in the District. A re-balance of tenures is therefore supported.

4.208 Issues and Options Sustainability Appraisal

4.209 No clear adverse impacts are identified for this option. There is a strong beneficial impact on wise use of land (Objective 2), and suitable housing (Objective 13). There is also a positive impact on the minimisation of waste and recycling (Objective 5) as existing buildings are used rather than building new.

4.210 Conclusions and Implications for Preferred Options

4.211 This method of securing additional housing is supported by the results of consultation and is already successfully in operation in the two districts. This Option is supported but it is recognised that the reuse of empty homes will not be secured through the development management decisions. A textual reference should therefore be made to the need for the Councils and other relevant bodies to bring back empty dwellings into use as affordable homes.

4.212 Option C: Reduce under occupation

4.213 Issues and Options Consultation Response

Agree	Disagree	No Opinion	Total
51	15	5	71

Table 4.14

4.214 Comments included:

- Several councillors and local residents and local groups commented that it should be for social rented properties / shared equity only, not privately owned sector.
- Financial incentives should be given for old people to move from large homes.
- Consider reducing under occupation on a case by case basis. Social care / personal choice implications should be paramount. However incentives may be helpful. (Highcliffe Residents Associations)

4.215 Consideration of Evidence and Policy

4.216 The Housing Needs & Demand Survey identifies that there is a large element of under-occupation of family property by older person households, particularly in the owner occupied sector. In East Dorset half and in Christchurch nearly half (44.9%) of homes occupied by only older people have three or four bedrooms.

4.217 The issue of tackling under-occupation in social units has been identified by EDDC with suggestions for financial inducements to downsize. (EDDC Final Report of the Environment and Health & Housing Scrutiny and Policy Development Sub-Committee into Affordable Housing in East Dorset 2008)

4.218 Issues and Options Sustainability Appraisal

4.219 No clear adverse impacts are identified for this option. There is a strong beneficial impact on wise use of land (Objective 2), and suitable housing (Objective 13). There is also a positive impact on the minimisation of waste and recycling (Objective 5), as existing buildings are used rather than building new.

4.220 Conclusions and Implications for Preferred Options

4.221 This option was supported by the results of consultation and there is evidence from the Housing Need and Demand Surveys of under-occupation of family property. East Dorset has operated a policy for many years which helps to pay the costs of moving under-occupying households out of large social rented housing. The approach does help to manage the existing social housing stock in the most efficient way.

4.222 This Option is supported but it is recognised that the reuse of empty homes will not be secured through the development management decisions. A textual reference should therefore be made to the need for the Councils and other relevant bodies to bring back empty dwellings into use as affordable homes.

4.223 Issues and Options Consultation Response

4.224 Option D: Other, please specify

4.225 Comments can be summarised below:-

1. **There should be a much greater use of the private rented sector – especially for redevelopment of existing low density sites into smaller units for rent. (West Parley Residents Association)**

4.226 It is agreed that there is a need to increase the provision of private rented accommodation. In East Dorset this sector only accounts for 7% and in Christchurch only 6% of all housing which is significantly below the national average.

2. **Use sites put forward by people and support more self-build groups who want to help themselves, land put forward by the church and others (Sturminster Marshall Affordable Housing Self-Build Homes)**

4.227 In general self-build groups can provide opportunities for innovative forms of housing. However, such schemes are not necessarily affordable and are no different in effect to private development of open market housing. If a self build scheme is to be affordable, it needs to be available to those in local need and maintained as affordable in perpetuity. It is therefore considered unnecessary to set out a separate preferred option for self build housing as the general affordable housing preferred options will be sufficient.

Options

4.228 These Options can be found in the Core Strategy Options for Consideration Chapter 14 -Meeting Local Needs.

4.229 **What overall target should we set for the delivery of affordable housing?**

4.230 **Preferred Option LN 9:**

4.231 **The overall target for affordable housing will be 35% of all new residential development delivered between 2006 and 2027.**

4.232 Another alternative approach would be to have a higher target for affordable housing. The high level of affordable housing need justifies a higher target, but it would result in an even larger increase in affordable housing than that achieved in the past and there are concerns that it would not be possible to meet this target, taking into account evidence from the Viability Studies and the Strategic Housing Land Availability Studies.

4.233 **Non Preferred Option LN 10:**

4.234 **The overall target for affordable housing will be 40% of all new residential development delivered between 2006 and 2027.**

4.235 **What is an appropriate policy which will maximise the delivery of affordable housing policy to meet identified affordable housing needs?**

4.236 **Preferred Option LN 11:**

- **In order to maximise the delivery of affordable housing, the Councils will require:**
- **All residential development which results in a net increase of housing is to provide a minimum of 40% of the residential units as affordable housing on the site.**
- **A financial contribution provided by the developer will be acceptable in the following situation:**
- **Sites of under 5 units where, for practical reasons, it is not possible to provide units on site.**
- **On sites of 5 or more dwellings provision should be on-site, but off-site provision on an alternative site, may be acceptable in the following situations:**
- **Where off-site provision would better meet priority needs.**
- **To provide a better distribution of social units throughout the districts.**
- **If an alternative site is not available a financial contribution in lieu of provision may be accepted. Financial contributions should be of broadly equivalent value to on-site provision.**
- **Conditions or legal obligations will be used to ensure that affordable housing is secured and retained for those in housing need.**

- The mix of units should reflect local housing needs identified in the latest Strategic Housing Market Assessment (see Preferred Option LN 1).
- In East Dorset the tenure split should normally allow for 15% intermediate housing, with the remainder being social rented. In Christchurch the split should normally be 90% social rented and 10% intermediate housing. Variation of this requirement must be clearly justified in relation to meeting the needs of the District. If intermediate housing cannot be provided for financial reasons the affordable housing should be social rented.
- Any planning application which on financial viability grounds proposes a lower level of affordable housing provision than is required by this policy must be accompanied by clear evidence.

4.237 Alternative Preferred Option LN 12:

4.238 As the preferred option, but the affordable housing requirement on new greenfield housing sites to be 50% subject to feasibility and viability.

4.239 Non Preferred Option LN 13:

4.240 As the preferred option, but to have a threshold of 5 units for provision of on-site affordable housing and not request financial contributions from sites of 1 – 4 units.

4.241 This is an alternative option put forward in the Viability study and takes into account evidence that for some small sites delivery of affordable housing may not be viable.

4.242 Non Preferred Option LN 14:

4.243 As the preferred option, but for the affordable housing tenure split to be 70% social rented and 30% intermediate.

4.244 Alternative Preferred Option LN 15:

4.245 As the preferred option, but no recommended tenure split.

4.246 Should the core strategy develop an affordable housing rural exceptions policy?

4.247 Preferred Option LN 16:

- Exceptionally, land adjoining the defined rural and urban settlements which would otherwise be considered inappropriate for development, may be developed in order to provide affordable housing in perpetuity provided that;
- The housing comprises 100% affordable housing
- The housing is to meet local needs, defined as being within the Parish/Town, or neighbouring Parish/Town.

- The proposed development would provide a mix of housing size and type which meets the local needs identified in the Strategic Housing Market Area (see Preferred Option LN 1 and Tables 4.1 and 4.2 after paragraph 4.18 of the Delivering Suitable and Sufficient Housing Key Issues Paper)
- The development is small scale and reflects the setting, form and character of the settlement and the surrounding landscape
- The development is well related to community facilities and services
- This policy will apply to the following settlements:
 - East Dorset:
 - Colehill
 - West Moors
 - St Leonard's and St Ives
 - Three Legged Cross
 - Alderholt
 - Cranborne
 - Gaunt's Common
 - Gussage St Michael
 - Gussage All Saints
 - Hinton Martell
 - Holt
 - Horton
 - Longham
 - Shapwick
 - Sixpenny Handley
 - Sturminster Marshall
 - Wimborne St Giles
 - Witchampton
 - Woodlands
 - Christchurch:
 - Burton
 - Winkton
 - Land adjoining the built up area of Christchurch

4.248 Alternative Preferred Option LN 17

4.249 To have no exceptions policy for urban areas.

5 Implementation

Implementation

5.1 There are no specific infrastructure requirements associated with this topic. With the exception of Preferred Option pAH6 and Alternative Option pAH7 the identified options simply require the implementation of planning policy.

Policy Proposal	Infrastructure Requirements	Partners	Constraints	Delivery Timescale
Delivery of affordable housing exception sites.	Identification of land to deliver exceptions sites.	All public bodies, local landowners, registered social landlords.	Funding	1 year for initial search and then ongoing.

Table 5.1