



Gladman Developments Ltd

North Dorset Local Plan Part 1 Examination

Issue 4 – Meeting Housing Needs, including affordable housing and the needs of gypsies, travellers and travelling showpeople (policies 6 to 10 and policy 26)

4.1. Although not explicitly stated in LP1, I interpret the figure of 4,200 dwellings (280 dwgs a year) as being the Council’s objectively assessed housing need for 2011 – 2026. Is this figure justified, bearing in mind it is lower than that proposed in the former Regional Strategy? What has been the role of household projections in estimating overall housing need (see PPG paragraph 015 under Housing and Economic Development Needs Assessments)?

4.1.1 Gladman question whether it can be satisfactorily concluded that the Council’s housing target is sufficient to meet North Dorset’s full objectively assessed needs and is founded on a robust and up-to-date evidence base. The preparation of the Council’s 2011 SHMA pre-dates the introduction of the NPPF and PPG on Housing and Economic Development Needs Assessments and fails to take appropriate account of the full range of factors that should be considered when undertaking an objective assessment of housing needs.

4.1.2 In light of our concerns over the adequacy of the Council’s housing requirement, Gladman have commissioned consultants GVA to undertake a critique of the authority’s housing needs evidence. Their work assesses the Local Plan’s proposals and SHMA against the requirements of national planning policy, guidance and best practice. A copy of GVA’s report is provided in full as Appendix A to this submission, with a summary of their findings provided below.

- The 2011 SHMA was published prior to both the NPPF and PPG and is therefore not in direct conformity with the new policy landscape, notwithstanding that parts of

the assessment follow established methodologies with regard to assessing demographic indicators

- Whilst the SHMA's assessment of demographic needs is likely to be broadly appropriate its approach is based on data that is now significantly out of date.
- Despite being an integral part of a PPG compliant assessment of housing need, the 2011 SHMA dismisses economic drivers of housing need on account of economic uncertainty. More recent economic forecasts for the district provide for a significant increase in employment in the district, which is unlikely to be supported by the SHMA's trend-based forecast and a shrinking pool of labour
- The Council's evidence base provides no assessment of market signals and the extent to which past and future supply has influenced and could improve affordability. Historically supply seems to be meeting demand, but with supply proposed to be cut through a reduction to the Council's housing requirement, this raises questions as to whether this trend will continue
- The Council and its evidence base fail to assess how affordable needs could be met in full and whether an increase in the total housing requirement should be considered to increase the delivery of affordable housing in the district

4.1.3 The findings of GVA's critique suggest that the evidence base used to inform the Council's housing target is incomplete and cannot without further justification and explanation be considered sound.

Conclusions

4.1.4 Gladman question whether the Council's housing requirement is based on the findings of a robust evidence base. In this regard we query whether the Local Plan is positively prepared and seeks to meet objectively assessed development needs, justified and based on proportionate evidence, or consistent with national policy.

4.1.5 To be considered sound we submit that further work must be undertaken to understand the Council's objectively assessed housing needs, taking the requirements of the Framework and PPG on Housing and Economic Development Needs Assessments into account.

4.2. NPPF paragraph 47 requires the supply of housing to be boosted significantly. Between 2001 and 2011, 370 dwellings per annum were built in the District. The figure now proposed is 280 dwellings a year. Is the Council's target justified and sufficiently aspirational, in light of past rates of housing provision, including in terms of affordable housing provision? (see also question 4.12 below)

4.2.1 Gladman question whether the Council's proposed housing requirement is consistent with the requirement to significantly boost the supply of housing. As identified, the rate of housing delivery in the district averaged 370 dpa between 2001 and 2011, whilst 375 dwellings were provided in 2011/12. In light of these past rates of supply it could be argued that the Council's target is not sufficiently aspirational.

4.2.2 The Council's 2011 SHMA identifies a requirement to provide 387 dwellings per annum to meet the authority's affordable housing needs. In accordance with paragraph 029 of the PPG on Housing and Economic Needs Assessments, there is need to consider whether the delivery of market housing could be increased to ensure affordable needs are better met. The rates of historic housing delivery within the district would suggest this could be achieved.

Conclusions

4.2.3 Gladman question whether the Council's housing requirement is sufficiently aspirational and consistent with the Framework requirement to significantly boost the supply of housing. The need to provide 387 dwellings per annum to meet the meet the authority's affordable housing needs suggests that the Council's overall housing requirement should be increased, to ensure the Local Plan meets the full objectively assessed needs for market and affordable housing.

4.3. Is the Strategic Market Housing Assessment (SHMA) sufficiently up-to-date and does it reflect the guidance on SHMAs in the NPPF (paragraph 159) and Planning Practice Guidance? The 2011 SHMA Up-date concluded that overall need for housing in the District has reduced from 350 to 280 dwellings per annum since 2008 (paragraph 4.29 of MHN001), the reason given is the economic downturn. However there is evidence that the economy is recovering so can the up-dated SHMA (2012) be relied upon, bearing in mind the current economic context?

4.4.1 As outlined above and discussed further in GVA's critique, the preparation of the Council's 2011 SHMA predates the publication of the Framework and PPG on Housing and Economic

Development Needs Assessments. Whilst some parts of its methodology could be considered consistent with the requirements of more up-to-date guidance, it does not represent a Framework and PPG compliant assessment of housing needs.

4.4.2 As previously submitted, the Council's SHMA follows the same methodology as that relied upon by West Dorset, and found to be inadequate by the Inspector appointed to examine the West Dorset, Weymouth and Portland Local Plan.

4.4.3 GVA's critique of the Council's evidence base finds that there has been a significant upgrading in the economic prospects of the district since 2012, with job growth from 2001 and 2026 more than doubling. With a falling working age population and very little capacity for increases in economic activity and employment levels, they consider that it is unlikely that a trend-based scenario will be able to support an increase in employment to meet recent economic forecasts for the district.

Conclusions

4.4.4 The Council's SHMA does not represent an up-to-date, Framework and PPG compliant assessment of the authority's housing needs. Further work must be undertaken by the Council to determine what the Council's objectively assessed needs would be, taking the requirements of more recent national guidance and up-to-date evidence into account.

4.4.5 GVA's critique of the Council's evidence base finds that economic prospects in the district have more than doubled since 2012, with employment growth of 8.40% forecast between 2011 and 2026 based on 2014 forecasts, compared to 3.95% in 2012. They consider that a trend-based scenario is unlikely to support an increase in employment to meet recent economic forecasts for the district.

4.4. Is the Strategic Land Availability Assessment (SHLAA) sufficiently up to date?

4.5.1 The latest version of the Council's SHLAA was published in August 2011. Given the period of time that has passed since this was prepared there is a risk that this is now out of date and that the Council do not have a robust understanding of housing delivery in the district. The Framework is clear that each local planning authority should ensure that its Local Plan is based on adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area (paragraph 158), and prepare a SHLAA to establish realistic assumptions about the availability, suitability and the likely

economic viability of land to meet the identified need for housing over the plan period (paragraph 159).

4.5. Can the Council demonstrate a 5 year supply of housing plus appropriate buffer, and locations for growth for years 6 to 10 and 11 to 15 (NPPF paragraph 47)?

4.6.1 It is difficult to ascertain whether the Council will be able to demonstrate a sufficient supply of housing over the plan period in the absence of a housing trajectory (see question below). In light of this we question whether it can be satisfactorily concluded that the Plan will be effective in meeting North Dorset's housing needs. We reserve the right to comment on any subsequent evidence presented by the Council in this respect.

4.6.2 As submitted the Local Plan is only likely to have a lifespan of 11 years post-adoption. Taking the guidance set out in paragraph 157 of the Framework into account, we submit that the authority should be planning to provide further housing for least an additional four years, to ensure the Plan covers a 15-year time horizon.

4.6. Why is there no housing trajectory included within the plan or a clearly expressed housing implementation strategy (NPPF paragraph 47)? (See also question 12.1 on monitoring)

4.7.1 This is principally a question for the Council. The preparation of a housing trajectory and implementation strategy would help to clarify the delivery rates and sources of supply that are anticipated to meet the authority's requirements over the plan period. This is unclear from the Local Plan and submitted documents at present.

4.7. Is the Council's approach towards taking into account vacancy rates and second homes, in the overall housing figures, reasonable and justified?

4.8.1 The Council's assessment of North Dorset's housing needs includes a 2.5% vacancy allowance. If vacant properties were considered alongside second homes, this rate would increase to 3.5%.

4.8. Should the contribution that existing commitments and potential windfalls make to overall housing provision over the plan period be clarified?

4.9.1 The Council should clearly explain the role that windfall sites and existing commitments are expected to play in meeting the authority's housing requirements, together with other sources of supply. We remind the Council that any allowance for windfall sites in its housing

land supply should be consistent with the guidance set out in paragraph 48 of the Framework.

4.9. Is the proposed housing distribution (policy 6) based on a sound assessment of land availability and delivery? Is there any evidence that the proposed distribution cannot be satisfactorily achieved?

4.10.1 The Council should ensure that the Local Plan is based on a robust and up-to-date understanding of land availability and delivery to provide a sufficient supply of deliverable and developable housing land over the plan period. It should be progressing a strategy that allows for a range of housing sites to be provided, creating flexibility in the authority's land supply, with sufficient contingency for sites that fail to come forward as anticipated.

4.10.2 Whilst supporting the general principle of proposals such as the South Gillingham Strategic Allocation, large scale sites such as this are often slow and complicated to bring forward, or can be associated with a number of constraints and developer funding requirements. As a result they can fail to provide the level of housing originally envisaged, or in the timescales initially expected.

4.10.3 The Council's 2011 SHLAA identified a number of opportunities for housing development in Stalbridge and the countryside villages. Although some of the sites may now have received consent or been developed, this highlights the potential for housing in these locations, contrary to the Council's restrictive approach that may preclude development from coming forward in these settlements.

4.10. Is the housing mix proposed in policy 7 justified? Is policy 7 too prescriptive? Should the reference in paragraph 5.34 be to bedroom numbers rather than size? Does the Council's approach meet the objectives of paragraph 50 of the NPPF, with regard to delivering a wide choice of family homes?

4.11.1 Whilst supporting the overall aims of this policy, we submit that it would be more appropriate to determine the size, type, tenure and range of housing to be delivered through proposals on a case-by-case basis and in accordance with up-to-date evidence of local needs. The Council should adopt a more flexible policy approach, as opposed to setting prescriptive requirements based on the findings of the authority's dated 2011 SHMA.

4.11. Bearing in mind the SHMA Up-date (MHN004) concludes in paragraph 5.7 that there is a need to provide an additional 387 units of affordable housing per annum

(up to 2016), has the Council placed sufficient weight on meeting the District's affordable housing needs? Will the Council's policies deliver a reasonable amount of affordable housing and in the locations where need is greatest? Is the advice in paragraphs 173 and 174 of the NPPF sufficiently reflected in LP1? What is the justification for seeking a reduced provision in Gillingham?

4.12. Is the Affordable Housing threshold justified and would the requirements of policy 8 put at risk the financial viability of any housing schemes? Is the policy sufficiently flexible? Is there any evidence to support making a distinction between town centre and non town centre development? Is the reference to the involvement of the District Valuer appropriate?

4.13. Is the affordable rent/intermediate housing split justified and in line with current evidence and is it reasonable for the Council to seek the provision of social rented housing in some circumstances (paragraph 5.105)?

(Response to all above Questions below)

4.13.1 Whilst the Council's 2011 SHMA advises that providing 387 affordable dwellings may be unrealistic, paragraph 029 of the PPG on Housing and Economic Development Needs Assessments makes clear that an increase in the total housing figures included in the Local Plan should be considered where it could help to deliver the required level of affordable homes. The Council's 2014 Annual Monitoring Report (AMR) further reveals that North Dorset had a house price/income affordability ratio of 10.15 in 2013, significantly higher than the national average. Both of these factors suggest that an increase to the Council's overall housing requirements would be essential.

4.13.2 The Local Plan proposes to direct a minimum of 230 homes to Stalbridge and the district's countryside villages, 6% of the authority's overall housing target, where restrictive countryside policies will apply unless a community chooses to prepare a Neighbourhood Plan or opt into the Council's Part 2 Local Plan. Whilst the Local Plan allows for rural exceptions schemes in these locations, there is real risk that its policies will fail to provide sufficient housing to meet local needs in these settlements, and provide the 88 affordable dwellings per annum the authority's 2011 SHMA identifies are required in these areas.

4.13.3 Gladman note that the Council's most recent viability evidence to inform its affordable housing requirements was prepared in 2009 and pre-dates the publication of the Framework

and PPG. The Council's affordable housing requirements should be based on robust evidence and must not unnecessarily delay or threaten the viability of development.

4.14. Are the requirements of policy 9 too restrictive and unduly onerous? How would the Council exercise its discretion regarding the provision of market homes?

4.15.1 Policy 9 seeks to attach a number of prescriptive requirements to the development of rural exceptions sites that may only serve to add further restrictions to development in the countryside villages. A more permissive approach, allowing for rural exception schemes to be assessed on a case by case basis, and with the number of units and requirement for enabling development determined by local needs and viability, may be more appropriate.

4.15. How do the Council define 'in-filling' (policy 7)?

4.16.1 The Council should not adopt an approach that would allow overly prescriptive policy requirements to be applied to infilling, particularly in Stalbridge and the countryside villages. Allowing communities to establish their own detailed policies on infilling through neighbourhood plans may only serve to impose further and unnecessary restrictions on development in these settlements, many of which are likely to have significant opportunities for infill housing.

4.18. Is the Council providing sufficient support for people wishing to build their own homes?

4.18.1 The Government has outlined its support for custom and self-build housing, recognising that this can provide an affordable way to own a sustainably designed and high quality home. It has developed a number of initiatives aimed at addressing barriers to custom housing delivery, and recently consulted on a Right to Build that would give prospective custom builders a right to a plot of land from a Council.

4.18.2 The Local Plan should provide an appropriate policy framework to guide the delivery of self-build housing in the district, reflecting the requirements of national guidance, which makes clear that local planning authorities should plan for a mix of housing that meets the needs of different groups in the community, including those wishing to build their own home (NPPF paragraph 50).

4.19. Has the Council satisfactorily considered the relationship between housing provision and employment trends (PPG paragraph 018 under Housing and Economic Development Needs Assessments)?

4.19.1 Please see response to question 4.4 above.

APPENDIX A

Critique of the North Dorset Strategic Housing Requirement - GVA

A **Bilfinger Real Estate**
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Report

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Critique of the North Dorset Strategic Housing
Requirement

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1. Introduction

- 1.1 This report has been prepared by GVA on behalf of Gladman Developments Ltd to critique the strategic housing requirement for North Dorset as set out in the Draft North Dorset Local Plan (DNDLP) Part 1.
- 1.2 The DNDLP was submitted to the Secretary of State for Communities and Local Government on 5 December 2014 for independent examination. The Examination in Public (EiP) commences on 10 March 2014 and the strategic housing policies will be discussed principally at 12 March 2014 hearing.
- 1.3 This report provides a critique of the evidence base used to support the DNDLP and assesses the extent to which the evidence base and the process through which it has been interpreted in policy is in line with national planning policy, guidance and general best practice.
- 1.4 The findings of this report will be used to understand whether the strategic housing policies within the DNDLP are sound.
- 1.5 This report will be structured as follows:
- The Draft Planning Policy Position
 - National Planning Policy and Guidance
 - The Council's Evidence Base
 - Conclusions
- 1.6 Should you require any further information, please contact:

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2. The Draft North Dorset Local Plan (Part 1)

2.1 The DNDLP sets out the strategic policies for the district of North Dorset over the period 2011 to 2026. Whilst the plan, if adopted, will only plan for ten years hence¹, the Council has nevertheless submitted it for formal examination which is programmed to commence in March 2015.

2.2 Policy 6 (Housing Distribution) sets out the total housing requirement for North Dorset over the 15 years from 2011 as well as the distribution between the four main towns in the district. The policy also set out the approximate number of affordable homes that will be sought in each of the four towns. Finally, the policy sets out an indicative number of homes that will be delivered outside of the main settlements (i.e. in the Countryside).

2.3 In the explanatory text which accompanied the policy, the DNDLP provides the rationale for Policy 6. It identified that North Dorset falls entirely within the Bournemouth and Poole Housing Market Area (HMA). An updated SHMA (2012) covering each of the HMA authorities concluded that the:

“trend-based data suggests household growth of around 273 per annum for the period from 2011 to 2031 and so a housing delivery figure (on the basis of this figure) might be around 280 per annum (to take account of a small vacancy rate. 280 dwellings per annum equates to 4,200 homes over the fifteen years from 2011 to 2026 and this is the District-wide housing provision figure used in the Local Plan Part 1.”
(paragraph 5.13 of the DNDLP)

2.4 It can be concluded that the Council's principal evidence base for its Local Plan strategic housing requirement is the 2011 Bournemouth and Poole Strategic Housing Market Assessment ('2011 SHMA') (Update). Furthermore, it is 'trend-based' data which forms the principal scenario for the chosen housing requirement.

2.5 Paragraphs 5.15 to 5.17 of the DNDLP set out the affordable housing target for the district and summarise the evidence base which has been used to calculate the

¹ Paragraph 157 of the NPPF states that plans should “be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date”

target. Again, the 2011 SHMA is the referenced evidence base document which concludes that annual net affordable housing need equates to 387 additional units over the five years from 2011 to 2016. This evidence (along with the Council's viability testing) provides the justification for the DNDLP's target of 40% of new completions being affordable (reducing to between 30% and 35% for sites within or adjacent to Gillingham respectively).

- 2.6 The Council concludes that this policy should deliver 1,480 affordable dwellings in the main towns by 2026 (excludes rural exception sites which may come forward) or 99 affordable dwellings per annum; 35% of the total proposed housing requirement and, when annualised, 26% of the annual affordable housing need over the five years from 2011.
- 2.7 The next section of this report sets out the national planning policy and guidance which provide the context through which local planning authorities should assess housing needs and define their strategic housing policies. This context will provide the basis for this critique.

3. Planning Policy and Guidance

- 3.1 This section of the report provides a short summary of the national policy and guidance which dictates how housing requirement policies should be derived. The purpose of this section is to understand the context in which the DNDLP will be tested at examination.

National Planning Policy

- 3.2 The National Planning Policy Framework (NPPF) sets out the policy basis for OAN at paragraph 47 when it states local planning authorities should *“use their evidence to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.”*
- 3.3 The NPPF mandates the integration of different strategies and land uses including requiring planning authorities to *“ensure that their assessments of and strategies for housing, employment and other uses are integrated and that they take full account of relevant market and economic signals”* (paragraph 158).

“Local planning authorities should [...] assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The [...] Assessment should identify the scale ... of housing ... that the local population is likely to need over the plan period which:

meets household and population projections, taking account of migration and demographic change;

addresses the need for all types of housing, including affordable housing ...;
and

caters for housing demand and the scale of housing supply necessary to meet this demand.” (Paragraph 159 NPPF)

- 3.4 More widely, the NPPF states that Local Plans and authorities should make every effort *“to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth”* (paragraph 17).

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- 3.5 The NPPF also highlights the requirement to consider the cross boundary implications of housing need when it states that for a Local Plan to be considered sound, it must seek *“to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development”* (paragraph 182).

National Planning Guidance

- 3.6 Further to the NPPF's more general prescriptions, the Planning Practice Guidance (PPG) sets out a detailed methodology for undertaking an assessment of housing need in an area. Some of the key requirements and statements from the PPG are summarised below which provide some context as to the required approach and aid in the later assessment of the Council's approach to identifying housing needs.

What is housing need?

- 3.7 The primary objective of an assessment of housing needs is to identify the future quantity of housing needed (PPG Ref. ID 2a-002-20140306).
- 3.8 *“Need for housing in the context of the guidance refers to the scale and mix of housing ... that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.”* (PPG Ref. ID 2a-003-20140306)
- 3.9 *“The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure, or environmental constraints”* (PPG Ref. ID 2a-004-20140306)

What should the assessment include?

- 3.10 The starting point for an assessment of housing need should be the Household Projections (PPG Ref. ID 2a-015-20140306). Adjustments should then be made to understand the impact of future changes to demographic and migration trends (PPG Ref. ID 2a-017-20140306) employment growth (PPG Ref. ID 2a-018-20140306) and

market signals (PPG Ref. ID 2a-019-20140306). The assessment should also consider the implications for affordable housing (PPG Ref. ID 2a-029-20140306).

- 3.11 With regards to the use of economic evidence in an OAN, the PPG states that *“Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns and could reduce the resilience of local businesses”* (PPG Reference ID: 2a-018-20140306).
- 3.12 Indicators or signals of how the housing market is performing and behaving should also be set out and assessed. The PPG states that *“Appropriate comparisons of indicators [of demand] should be made. This includes comparison with longer term trends in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”...“The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”* (PPG Reference ID: 2a-020-20140306)
- 3.13 The PPG states that affordable housing needs should be considered in the context of the overall mix of market and affordable housing likely to be delivered in the area. Specifically *“an increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”* (PPG Ref ID 2a-029-20140306).

What area should be considered?

- 3.14 The spatial geography of the assessment should be led by functioning housing market areas. The PPG states that:
- 3.15 *“A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between*

places where people live and work [...] The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.” (PPG Ref. ID 2a-010-20140306)

How should ‘back-log’ be dealt with?

- 3.16 The PPG cautions that past trends – including undersupply and worsening affordability - may have artificially suppressed household formation rates and therefore could affect future projections. The guidance states:

“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.” (PPG Ref. ID 2a-015-20140306).

Conclusions

- 3.17 To conclude an assessment of housing needs must be objective and must identify demand and therefore housing need in full. It should not seek to include metrics or measures which apply restraint. It should be realistic – that is to say identified supply should meet demand and be based on reasonable assumptions about the key drivers of population and household change – not realistic in terms of delivery as this would imply some assessment of constraint. From this analysis, four broad stages to this work have been identified as required in assessing OAN;
- Identifying the housing market area (HMA), which should be the basic geographic unit through which housing needs are understood;
 - Modelling the household and dwelling growth implications of demographic, economic and housing scenarios;

- Understanding whether there are other indicators of housing demand which would entail adjustments to the OAN including assessing the extent to which affordable housing needs have been identified and can be met; and
- Identifying whether there are unmet needs in the wider area which should be accommodated.

4. DNDLP Evidence Base

4.1 As set out in section 2 of this report, the DNDLP's strategic housing requirement is based principally on the evidence of the 2011 SHMA for the Bournemouth and Poole HMA. As well as this report, there are a number of other documents which are relevant to the Council's chosen housing policies including:

- Topic Paper (Housing): November 2012; and Meeting Housing Needs Background Paper: November 2013
- North Dorset Council; Responses to Inspector's Initial Questions: January 2015
- Planning Inspector's Issues and Questions: February 2015

4.2 This report will provide a summary of the Council's evidence base and assess the extent to which it complies with the latest guidance on housing needs as set out in section 3.

Bournemouth and Poole HMA SHMA 2011

4.3 The 2011 SHMA is the principal evidence base document for the Council's strategic housing requirement. It provides analysis of the housing needs of each of the authorities within the Bournemouth and Poole HMA, which includes North Dorset.

4.4 The 2011 SHMA is produced in line with the DCLG guidance (August 2007). Since the publication of the 2011 SHMA, the PPG (see section 3) has been published and provides a step change from previous assessments of housing needs and now better reflects national planning policy set out within the NPPF. The 2011 SHMA is therefore inadequate in a number of ways which are explored further here. In addition, the report is now quite dated and many of the data sources it utilises are equally out of date.

Population

4.5 The 2011 SHMA provides an assessment of demographic trends and population and household projections in the HMA. It uses mid-year population estimates (MYE) which have since been revised following the publication of detailed demographic data

from the 2011 Census. In addition, it utilises household and population projections (2008-based Sub-national Population Projections (SNPP)) which have similarly been revised and updated in light of the 2011 Census. Whilst the methodology in relation to demographic trends is largely sound, the assumptions can be given little weight attributed to more up to date information. The latest population projections (2012-based) were released in May 2014 and provide 25 year population projections using trends observed between 2007/8 and 2012.

4.6 We can see the impact of changing population estimates and projections by looking at more contemporary statistics. As set out above, the 2002 to 2011 MYE were revised in 2013 to take account of more up to date information from the Census. In North Dorset, the MYE were revised upwards by an average of 228 persons per annum. This means that the MYE, used by the 2011 SHMA underestimated population growth in North Dorset by an average of 228 person per annum or 2,279 person over ten years. Principally this would have affected migration estimates which fed into both the trend based scenario which was derived using migration data from the unrevised MYE and the 2008-based population projections used by the 2011 SHMA.

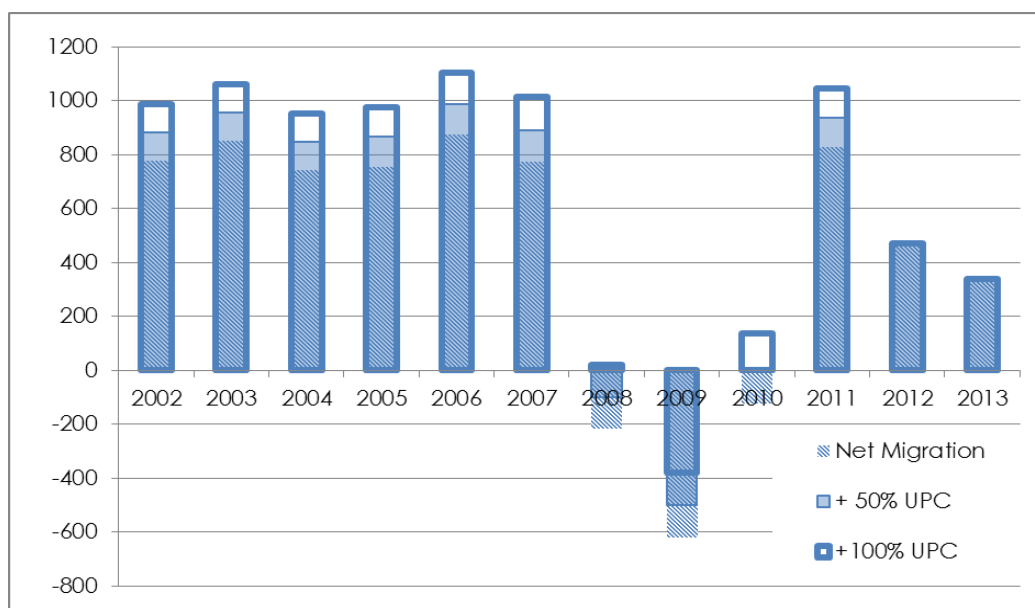


Figure 4.1. Net migration in North Dorset with adjustments for different levels of UPC (Source: Revised MYE)

4.7 The name for the statistical discrepancy between the revised and unrevised MYE is called un-attributable population change (UPC). It is so called because ONS could

not attribute it to any single component on change or statistical issue however ONS have said that it is likely to be in part due to problems recording international migration. Therefore, when using past data points (migration counts) in future projections, it is appropriate to adjust for known uncertainties within those data points.

4.8 Figure 4.1 contains the net migration estimates within the MYE and adjusts them to take account of UPC (either all of it or 50% of it as a rough estimate). It shows that net migration was relatively uniform (circa 800 persons per annum) until the onset of the recession when it turned negative. In the last 6 years, migration has been much more volatile. This is the same period over which the 2012 SNPP takes its migration assumptions which casts doubt over their appropriateness in North Dorset.

4.9 Figure 4.1 also shows that UPC if accounted for has a significant impact on past migration trends, potentially increasing past net migration by up to 30% per annum. Given this it is prudent to exercise some caution when looking at past migration data taken from the MYE or indeed the 2008 population projections which do not take any account of UPC. The latest population projections (2012-based) similarly do not take into account UPC when using past migration counts to project forward population growth.

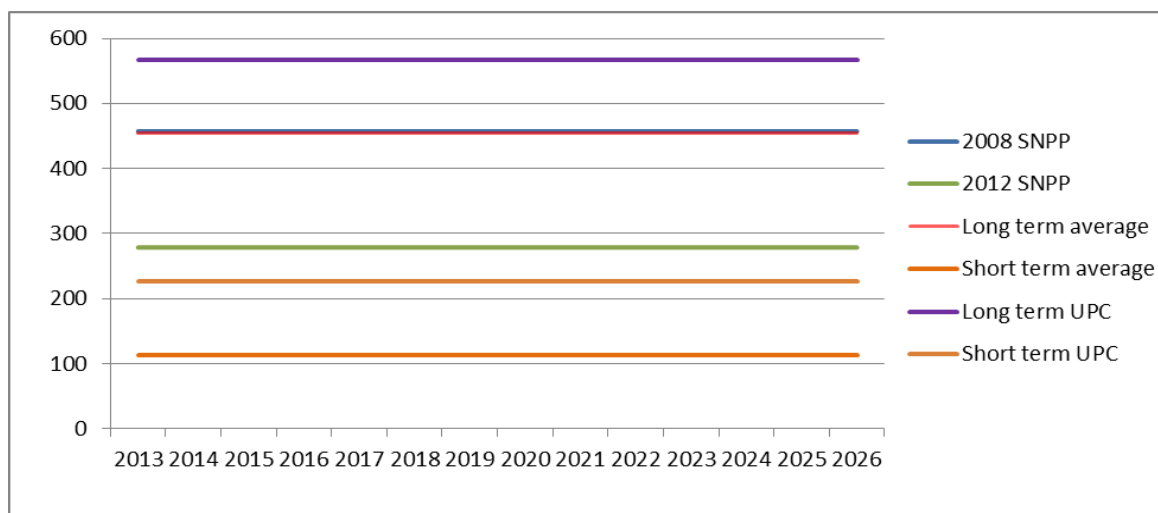


Figure 4.2. Annual net migration in North Dorset (in persons) taken from population projections and past trends. Long term is 2002 to 2013; Short term 2008 to 2013 (Source, ONS SNPP and MYE)

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- 4.10 Figure 4.2 provides a comparative analysis of the migration assumptions within the 2008-based and 2012-based population projections (the 2012 based being the most up to date) and compares them to observed migration trends from the MYE. In addition, it makes an adjustment to past migration counts to account for some (50% is used as estimate) of the discrepancies between the unrevised and revised MYE.
- 4.11 Taking the latest population projections, it is clear that the 2012-based SNPP assume much lower levels of net migration than the 2008 SNPP over the period 2011 to 2026. Figure 4.2 (along with 4.1) suggests that long term migration trends (2002 to 2013), which cover periods of growth and recession and take account of the significant fluctuations experienced in North Dorset over the last 12 years, would provide a more appropriate basis for understanding future migration rates than short term trends (2008 to 2013) and the 2012 SNPP given the tumultuous period of demography that occurred following the recession in 2008/9 and which the 2012 SNPP projects forward. Indeed, the 2011 SHMA states that past trends which saw negative net migration in 2008, 2009 and 2010, should not be considered an appropriate basis for understanding future housing needs (see paragraphs 7.33, 7.65 and 7.67).
- 4.12 In addition, UPC has been a significant contributor to past population growth between the years of 2001 and 2011. Once long term migration is adjusted for this component of population change² it increases net migration to 550 persons per annum, which seems more than feasible in light of the migration data in figure 4.1. It is therefore concluded that the 2008-based and 2012-based SNPP underestimate migration and therefore population growth in North Dorset. Long term trends adjusted for an element of UPC should form the basis for past trends. The 2011 SHMA which utilises out of date projections and trends is therefore likely to underestimate population growth in the district.

Household Formation

- 4.13 The 2011 SHMA utilises household formation rates from the 2008 Household Projections (2008 to 2033). Since the 2011 SHMA was published, the Census has been used to both re-base household numbers locally and re-calculate rates of household formation. This data was published in the 2011-based Interim Household Projections (2011 to 2021). Figure 4.3 sets out household estimates (2001 based) of the 2008 and

² 50% is used as an estimate

2011 projections and clearly shows that whilst the number of households in 2011 were underestimated by the 2008 Household Projections, the trajectory of growth over the period to 2026 is projected (by the 2011 projections) to be significantly slower than previously estimated.

- 4.14 With the 2011 SHMA using the 2008 projections, it is likely to overestimate household formation across the plan period. Conversely however, the 2011 Household Projections are considered to underestimate household formation as the trends they employ are principally derived from the recession (2007 to 2012). A mid-point between the two projections is the most often used method of reconciling these statistical uncertainties.
- 4.15 When taken alongside population growth, the implications for the 2011 SHMA are that it is likely to underestimate population growth but overestimate household formation. Once reconciled, it is likely that in the round the 2011 SHMA's chosen scenario of 280 dwellings per annum would seem an appropriate basis for the demographic-led scenario.

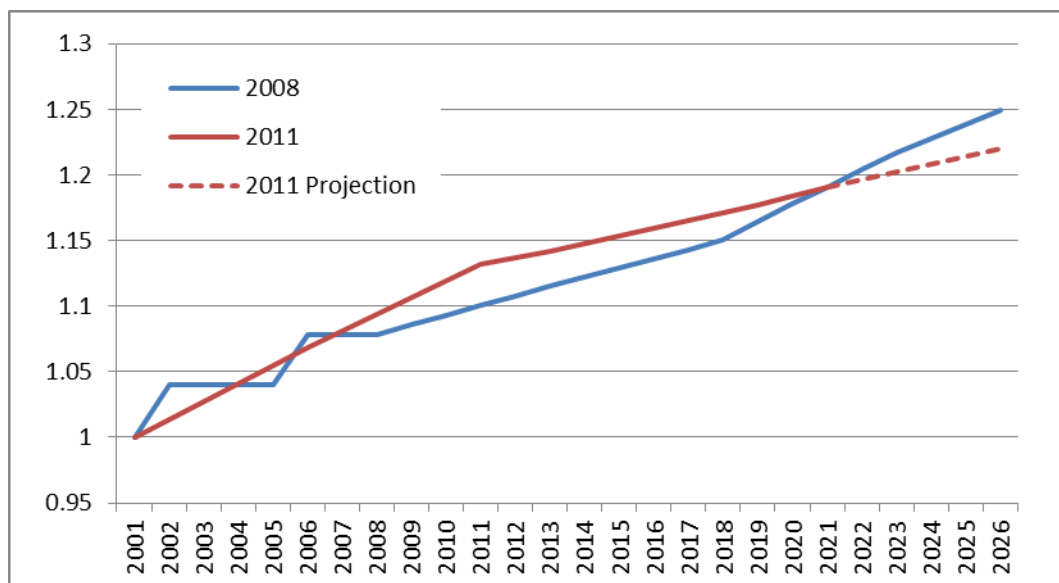


Figure 4.3 Household numbers change (estimates and projections) (1=2000) (Source: 2008 and 2011 Household Projections)

Economics

- 4.16 The 2011 SHMA provides some discussion of the economic context at the time the SHMA was written. Paragraph 7.9 states that “at the time of writing (Summer 2011) the economy was flat.” On the whole, in 2011 economic prospects were poor in the short and medium term. Paragraph 7.62 of the 2011 SHMA goes onto to state that “considerations was also given to developing projections related to economic growth, this was however not pursued as part of the SHMA given the current uncertainty on the state of the economy which made it difficult to agree realistic assumptions.” The PPG – see section 3 of this report – states that future and historic job growth and projected labour force supply should be considered when assessing housing needs and formulating policy.
- 4.17 GVA has reviewed how the ‘state of the economy’ and the economic prospects of North Dorset have changed over time. Taking Experian forecasts (since the 2011 SHMA was published), it is clear that since 2012 there has been a significant upgrading in the economic prospects of the district with job growth between 2011 and 2026 more than doubling from 4% to 8.4% (see figure 4.4).

Forecast	2011 to 2026 Employment Growth (Jobs)	2011 to 2026 Employment Growth (Percentage)
Experian 2012	1106	3.95%
Experian 2013	2362	8.06%
Experian 2014	2430	8.40%

Figure 4.4 Historic and contemporary economic forecasts for North Dorset (2011 to 2026) (Source: Experian archives)

- 4.18 Using Experian and Oxford Economics forecasts, both are forecasting growth of around 8% in the number of jobs between 2011 and 2026 (8.40% Experian; 7.75% Oxford Economics) or growth of just over 0.5% per annum (on average, see figure 4.5).

In terms of past growth, employment increased by an average of 1.15% per annum between 1997 and 2011 (taking an average of Experian and Oxford Economics' estimates). Forecasts are therefore pessimistic when looking at past economic performance. Notwithstanding this, forecasts provide for a significant increase in employment which in turns demands an increase in local labour force to take up employment.

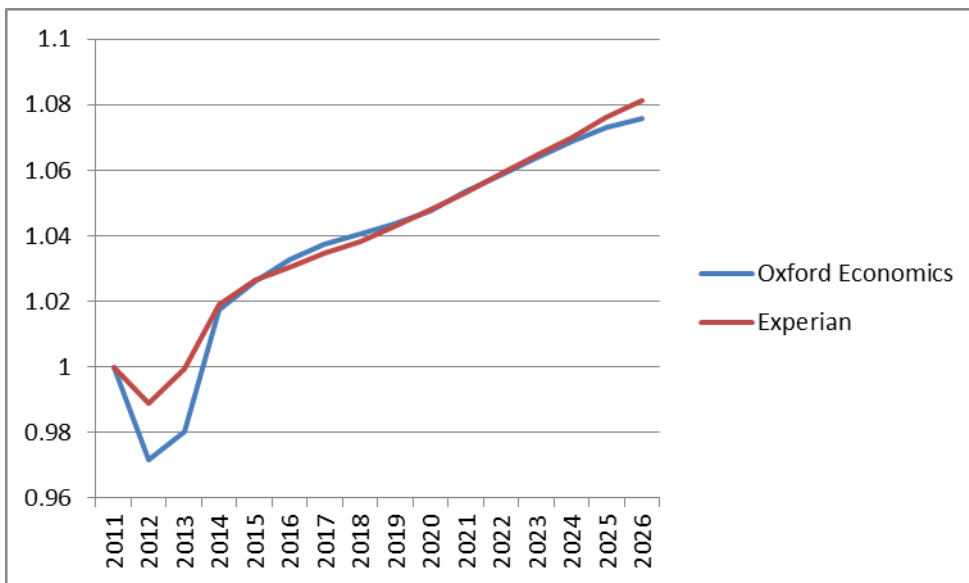


Figure 4.5. Autumn 2014 Economic forecasts between 2011 and 2026 of Experian and Oxford Economics (Source: Experian and OE)

4.19 To understand whether this level of growth is achievable given the Council's proposed housing requirement it is important to consider how the labour force might change over time:

- Future changes in the demographic structure of North Dorset:** The 2012 SNPP is projecting a fall in working age persons (16 to 67 year olds) of 2,957 persons and an increase in retired persons of 5,822 persons between 2012 and 2026. The overall pool of people available to work is therefore projected to decrease. Figure 7.7 of the 2011 SHMA acknowledges this.
- Unemployment:** Whilst unemployment was as high as 6.4% in 2011, it has since decreased significantly with only 2.6% of the economically active population unemployed compared to 5.5% regionally and 7% in Great Britain (average of the last four quarters of Annual Population Survey data). This demonstrates that there

is very little capacity in the economically active population for increases in the labour force.

- Economic Activity:** Around 88% of those aged 16 to 64 are economically active in the district (Annual Population Survey average of last four quarters). This is compared to 79% in the South West and 77% across Great Britain. There is therefore very little 'capacity' within the existing population for increases in economic participation.

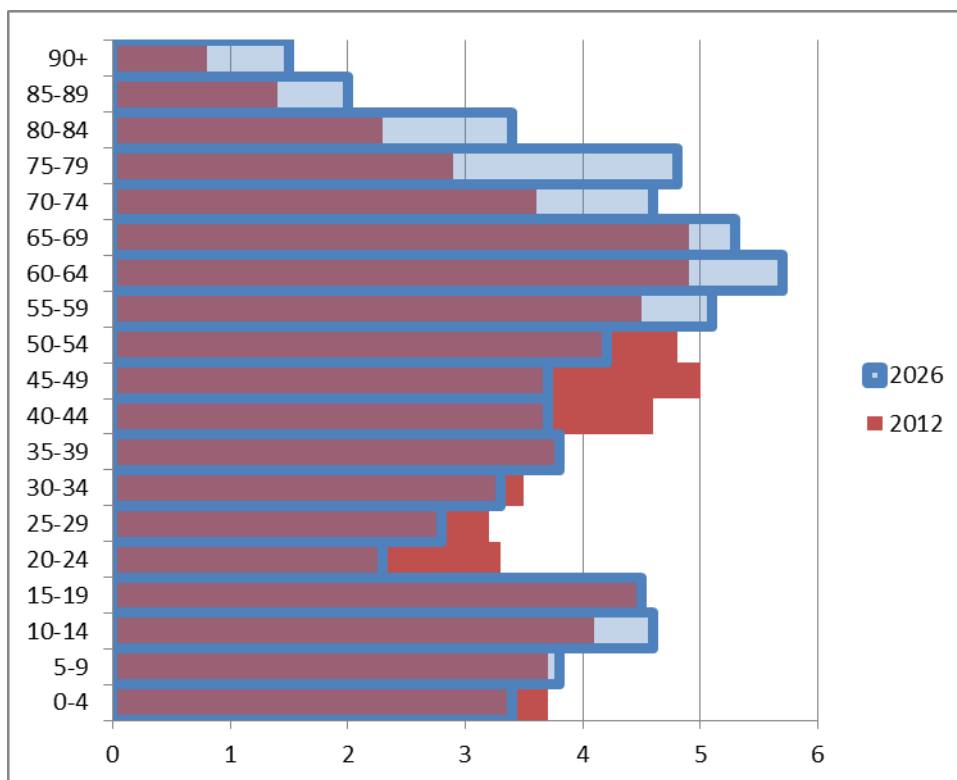


Figure 4.6. Changing demographic structure of North Dorset (Source: 2012 SNPP)

4.20 With a falling working age population and very little capacity within that population for increases in economic activity or employment levels it is not clear how economic growth can be accommodated without a significant increase in in-migration. It is therefore unlikely from the evidence presented here that a trend-based scenario will be able to support an increase in employment of the level forecasted in the district.

4.21 In addition, the Council has failed to properly consider future and historic job growth and how the local labour force might change over time. If labour force supply falls short of business needs it can affect the resilience of local employers and businesses.

Market Signals

- 4.22 The 2011 SHMA was published in advance of the PPG and whilst it does look at some of the indicators of housing demand it does not undertake the an assessment of affordability and make a judgement as to whether an increase in housing delivery should be undertaken to improve affordability.
- 4.23 This report has looked at market signals in North Dorset, the sub-region (North Dorset, Bournemouth, Poole, Christchurch, East Dorset and Purbeck), the region (South West and Great Britain and has concluded the following.
- 4.24 **House Prices:** Between 2000 and 2013 house prices in North Dorset have increased but at a lesser rate than experienced nationally, regionally or sub-regionally. Notwithstanding, prices in North Dorset have been consistently higher than those found regionally and nationally. With a current (2013) median house price of £210,000, house prices in North Dorset are on average 104% higher than they were in 2000. By contrast, house prices across the south west region have increased by 125% and 129% nationally.
- 4.25 **Private Rents:** Despite experiencing a 2% decrease between 2011 and 2013, at £650 average monthly private rents in North Dorset remain above those found regionally and nationally (by 4% and 8% respectively). However, when compared to neighbouring authorities private rents in North Dorset are the lowest in the sub-region and have seen the slowest rate of increase. Notably, North Dorset is the only authority in the sub-region to experience a decline in average rents between 2011 and 2013.
- 4.26 **Affordability:** Between 2000 and 2013 the affordability of housing (lower quartile house prices relative to lower quartile earnings) across all spatial areas (district, region and nationally) significantly worsened. Across this period, affordability in North Dorset worsened by 54% largely in line with the sub-region (53%). Whilst this rate of change is slower than that experienced regionally (61%) and nationally (65%). Housing in North Dorset is significantly less affordable compared to the average for the region and England (8.10 and 6.45 respectively). Within the sub-region housing in North Dorset is the fourth least affordable, exhibiting an affordability ratio of 9.29, following East Dorset (10.87), Purbeck (9.87) and Christchurch (9.89).

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- 4.27 **Vacancies:** A certain level of vacant stock is essential for churn of dwellings and a healthy housing market. When demand outstrips supply it can lead to reducing vacancies which causes friction in the housing market and increases prices. North Dorset experienced a small increase in vacancy rate of 1.4%. This is against a fall in vacancies in the sub-region, region and nationally.
- 4.28 **Housing Suitability:** The level of overcrowding in North Dorset (4.49%) is less than that of the sub-region (6.43%) indicating that overcrowding is less prevalent in this authority than surrounding areas. Overcrowding also increased at a lower rate than in the sub-region, region and nationally. The number of homeless households has decreased between 2005 and 2014 in all local authorities in the sub-region, ranging from a 72% decrease in Purbeck to 33% decrease in Poole. North Dorset experienced the second greatest decrease in homeless households with a decrease of 70%. With regard to the number of households in temporary accommodation all authorities across the sub-region saw a reduction in number between 2005 and 2013 with the exception of Bournemouth which saw a 50% increase in such households. North Dorset experienced a 60% decrease in the number of temporary households significantly above that experienced across the sub-region (-47%). The number and proportion of shared households in North Dorset is low (0.03% of households or 9 shared households in total).
- 4.29 **Housing Market Activity:** All local authorities in the sub-region have experienced a decline in the rate of housing market activity between 2001 and 2012, which is likely to be due to wider market factors between 2008 and 2011. North Dorset experienced the third largest rate of decline in the sub-region (-51.8%), exceeded by Bournemouth and Poole (-59% and -56% respectively). Despite this North Dorset has the highest current rate of housing market activity at 4.44% of all sub-region authorities, and significantly higher than that experienced at the sub-region (0.57%), region (2.24%) and England (2.75%).
- 4.30 **Rates of Developments:** All authorities in the sub-region saw increases in their housing stock between 2001 and 2011 although rates of change varied considerably between individual authorities; varying from 15% increase in North Dorset to 6.2% in Christchurch. The rate of increase experienced in North Dorset is considerably greater than that experienced at the sub-region (9.27%) and regional (10.11%) level. On the whole rates of development have been in excess of policy requirements.
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4.31 **Conclusions:** With house prices and rents higher than the national and regional averages, demand for residential properties in North Dorset is high. However, price and rent increases would appear to have been moderated by the supply of new housing in the district with rates of supply significantly higher than comparator areas but rent and price increase more modest. The district does not appear to have a significant or worsening problem with overcrowding or housing suitability. There is therefore not a strong justification for an uplift on the basis that supply appears to be meeting demand. Notwithstanding this, the housing market indicators of demand are inextricably linked to the level of housing supply in the district which has been high; averaging over 350 dwellings per annum between 2001 and 2013 (meeting its RS target despite the recession). Indeed, between 1998 and 2008 (i.e. before the recession) completions averaged over 400 dpa and exceeded 450 on four occasions. Therefore, whilst supply has historically met demand, it is not certain whether a fall in completions from 350 dpa to 280 dpa (20% reduction) would be sufficient to do so.

Affordable Housing

4.32 Annual affordable housing needs have been calculated over the five years from 2011 and amount to 387 dwellings per annum. This includes calculations of the backlog and committed supply over the five years so it is difficult to understand longer term needs (over the 15 year DNDLP period). However with gross completions (there are no figures for net completions) of affordable houses amounting to 103 dwellings per annum on average (Taken from 2014 Annual Monitoring Report (2011 to 2014)) it is clear that the backlog would have increased rather than been addressed. Notwithstanding this, the Council's proposed requirement of 280 dwellings delivering an average of around 30% to 40% affordable would deliver between 84 and 112 affordable units; significantly less than needs.

4.33 The PPG states that *"The total affordable housing need **should then be considered in the context of its likely delivery** as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. **An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.**"*³

³ Reference ID: 2a-029-20140306

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- 4.34 The Pre-submission Sustainability Appraisal (SA, November 2013) considers the proposed housing requirement (280 dpa) in Appendix D (paragraphs 58 to 71). Whilst the SA does consider the implications of reducing the requirement from 350 dpa to 280 dpa, which is justified on the basis of the 2011 SHMA's demographic trends, the SA does not consider the implications of this for affordable housing which as set out above is a requirement of the PPG.
- 4.35 The SA considered, through the assessment of the 2010 Core Strategy (see page 114, Appendix C of the November 2013 SA), that 7,000 dwellings between 2006 and 2026 *"is likely to be the most sustainable option as this will enable housing needs to be met and increase the supply of labour to support economic growth. It will also help to control the level of in-migration for non-economic purposes such as retirement."* It would seem from the SA that there are no sustainability issues associated with delivering a higher requirement than that identified in the DNDLP. Indeed, it would appear that there are a number of benefits to maintaining the level of housing growth previously experienced in the district, such as supporting economic growth.
- 4.36 The 2011 SHMA states that *"given the levels of affordable housing need shown in this study, the private rented sector is likely to continue to be used to some degree to make up for the shortfall of affordable housing for the foreseeable future."* It is acknowledged by the 2011 SHMA that there will be a shortfall in affordable housing delivery and that the private rented sector (not a form of affordable housing) will be expected to pick up the shortfall increasing the financial burden to the state (through increased housing benefit). This shortfall is neither quantified nor is it discussed with reference to how increasing total housing delivery could address it.
- 4.37 The DNDLP does not consider the full needs for affordable housing over the plan period nor does it consider whether the delivery of market housing could be increased to ensure affordable needs are better met. It would seem from the Council's SA that delivery could be increased without environmental or capacity constraints and past completions, as identified in the Annual Monitoring Reports, show delivery has exceeded the DNDLP requirement in the past. The DNDLP is therefore unjustified and unsound in terms of identifying and meeting affordable housing needs.
- 4.38 Overall the 2011 SHMA is out of date and does not meet guidelines for assessing housing needs as set out in the NPPF and PPG.
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Housing Topic (2012) and Background Paper (2013)

- 4.39 These documents provide a short summary of the Council's position regarding housing needs in the district and how these have been interpreted through the Council's planning policies. The documents are considered together as much of the information provided within them is identical.
- 4.40 The documents refer to the affordability issues in the district and set out a number of local strategies which identify affordability of housing as a problem for the local population. Specifically the Dorset Communities Strategy (2010 to 2020) states that a priority of spatial planning should be to focus on the lack of affordability. In addition, the North Dorset Housing Strategy (2012 to 2015) sets out three priorities for housing in the district, one of which is to increase the number of affordable homes for people to buy and rent including affordable housing.

Response to Inspector's Question 3 (January 2015)

- 4.41 This document provides the Council's response to a number of pre-hearing questions put to the Council by the Examining Inspector. Question 3 relates principally to the SHMA and housing needs.
- 4.42 The Council states that the 2011 SHMA was used to support the East Dorset and Christchurch Local Plan which was found sound in March 2014 making the figures *"the most up-to-date, robust and tested evidence available for North Dorset or any other local authority in the Bournemouth and Poole HMA"* (paragraph 2.4). Notwithstanding, this would have been before the final version of the PPG was published and therefore more recent guidance has shown the approach within the 2011 SHMA to be largely out-dated.
- 4.43 The Council also point to the SHMA being published in advance of the 2011 Household Projections which show a lower level of housing needs in the district (175 dwellings per annum between 2011 and 2021). The Council comment that *"it has chosen not to amend its emerging Local Plan housing requirement to reflect the lower figures coming from the 2011 household projections as they are not considered to represent a sound basis for assessing longer term housing needs at the local authority level."*

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- 4.44 The Council reference a draft (and yet unpublished) Eastern Dorset SHMA which has reviewed some of the more up to date information published since the 2011 SHMA. The conclusions of this work are not discussed in detail however a baseline trend (using the 2011 Household Projections but showing part return to pre-recession rates of household formation) has shown needs for around 234 dwellings per annum. The Council states that 280 dwellings per annum provide “some ‘headroom’ above the demographic projection for North Dorset to support economic growth across the HMA” (Paragraph 2.16). In addition, the Council confirm that the Eastern Dorset SHMA will look at ‘economic projections’.
- 4.45 The Eastern Dorset councils are therefore jointly preparing a new evidence base which will supersede the 2011 SHMA. Discussions with officers confirm that the consultancy GL Hearn is undertaking the study and that it is likely to be published sometime after the 2012 Household Projections are released. The 2012 Household Projections will combine the 2012 SNPP with extended household formation rates (and communal establishment rates) which go beyond 2021 (which was the extent of the 2011 Interim Household Projections).
- 4.46 With regard the Eastern Dorset SHMA the Council conclude the following:
- “Looking forward, it is the Council’s view that **once the Local Plan Part 1 2011 to 2026 is adopted, the final assessment of housing need arising out of the Eastern Dorset SHMA will be considered on an HMA wide basis. This review will include all local authorities within the HMA considering how the sustainable distribution of growth will best be achieved in line with the Duty to Cooperate.** It will be undertaken alongside full consideration of constraints including Green Belt, AONB and international wildlife designations and will be reflected in a review of Local Plans.”*
- 4.47 This would suggest that councils across the HMA could reevaluate their policies in light of housing needs across the HMA and how they are being met elsewhere, potentially changing their requirement if, for example, the Eastern Dorset SHMA demonstrates that a particular authority is over or under-providing.

Examining Inspector's Issues and Questions (February 2015)

- 4.48 The 'Issues and Questions' provide an early indication of issues which the Inspector feels require further explanation or justification by the Council. It is therefore useful to set these out here to understand if they reflect the other issues identified herein.
- 4.49 Issue 4 sets out the Inspector's questions in relation to 'meeting house needs, including affordable housing'. Of relevance, the questions include:
- *Although not explicitly stated in LP1, I interpret the figure of 4,200 dwellings (280 dwgs a year) as being the Council's objectively assessed housing need for 2011 – 2026. Is this figure justified, bearing in mind it is lower than that proposed in the former Regional Strategy? What has been the role of household projections in estimating overall housing Need*
 - *NPPF paragraph 47 requires the supply of housing to be boosted significantly. Between 2001 and 2011, 370 dwellings per annum were built in the District. The figure now proposed is 280 dwellings a year. Is the Council's target justified and sufficiently aspirational, in light of past rates of housing provision, including in terms of affordable housing provision?*
 - *Is the Strategic Market Housing Assessment (SHMA) sufficiently up-to-date and does it reflect the guidance on SHMAs in the NPPF (paragraph 159) and Planning Practice Guidance? The 2011 SHMA Up-date concluded that overall need for housing in the District has reduced from 350 to 280 dwellings per annum since 2008 (paragraph 4.29 of MHN001), the reason given is the economic downturn. However there is evidence that the economy is recovering so can the up-dated SHMA (2012) be relied upon, bearing in mind the current economic context?*
- 4.50 The main conclusions that can be gleaned from the Inspector's line of enquiry is that the SHMA does not follow the process laid out by the PPG (the process which the Inspector will go through at the EiP) and it is therefore questioned whether this process has been followed implicitly or not at all. The Inspector also questions whether the requirement will boost significantly the supply of housing given past delivery rates are well in excess of the proposed requirement and affordable housing needs indicate a greater need also. Finally the Inspector questions whether the demographic-led scenario used in the 2011 SHMA is too heavily influenced by the Recession. Overall, these are the issues which are identified above.
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5. Conclusions

5.1 This report has assessed the DNDLP and its accompanying evidence base and background papers against national planning policy, guidance and general best practice. It has concluded the following:

- The DNDLP sets out a housing requirement of 4,200 dwellings over the period 2011 to 2026 (280 dwellings per annum over 15 years). This is a net reduction of 70 dwellings per annum from the annual requirement set out in the draft Regional Strategy. The justification for this is more up to date demographic evidence set out in the 2011 SHMA.
- The 2011 SHMA was published prior to both the NPPF and the PPG and is therefore not in direct conformity with the new policy landscape notwithstanding that parts of the assessment follow established methodologies with regard to assessing demographic indicators.
- The main issues identified with the 2011 SHMA include: demographic needs, whilst broadly appropriate given more recent evidence, are based on data that is significantly out of date. Despite being a critical element of a PPG compliant assessment of housing need, analysis of the economic drivers of housing need are dismissed by the 2011 SHMA on account of economic uncertainty. This report has raised concerns about how economic growth could be accommodated with a shrinking pool of labour.
- The Council's evidence base provides no assessment of housing market signals (another requirement of the PPG) and the extent to which past and future supply has and could improve affordability. This report has concluded that historically supply seems to be meeting demand (relative to comparator areas) however with supply proposed to be cut significantly (i.e. a reduction in the housing requirement) this raises questions as to whether this trend will continue.
- Affordable housing needs are considered in the 2011 SHMA with significant levels of need identified (over 380 dwellings per annum over the five years from 2011). The Council and its evidence base fail to assess how affordable needs could be met in full and whether an increase in the total housing requirement should be

considered to increase the delivery of affordable housing in the district (again a requirement of the PPG).

- A draft SHMA covering Eastern Dorset is referenced by the Council but is unpublished. Initial findings (as yet unconfirmed) conclude that the updated SHMA could reduce the demographic needs to around 234 dwellings per annum. The SHMA will also look at economic needs.
- Many of the issues raised in this report have been picked up by the Inspector's questions and will therefore form part of the examination in public.

5.2 Overall the Council's evidence base and policy justification is incomplete and cannot without further justification and explanation be considered sound. Many of the points set out above could be addressed with further evidence from the Council however a full assessment of the available documentation has concluded that at present this evidence is absent.

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