

## **CHRISTCHURCH & EAST DORSET CORE STRATEGY EIP**

### **MATTERS & ISSUES 1 : OVERALL STRATEGY**

Inspectors text / questions in bold.

**1. Do the CS vision and objectives set out a robust basis for tackling the key issues that have been identified?**

- **Is the CS vision reference to “reducing” unmet need housing need consistent with national guidance in the NPPF (para 47)**

Objective 5 of the CS is stated as *“delivering a suitable, affordable and sustainable range of housing to provide for local needs. Sufficient housing will be provided in Christchurch and East Dorset to reduce local needs”* in order to satisfy the CS Vision that *“the unmet housing needs of the area will be reduced, with housing delivered of a type and tenure which meets the aspirations of those wishing to buy or rent”*.

However reducing local need is dependent upon meeting objectively assessed housing need as required by Paragraph 47 of the NPPF, whereby LPA's should boost housing supply to meet the full, objectively assessed needs for market and affordable housing in the housing market area as consistent with the policies of the NPPF. If objectively assessed housing need is not met the Councils cannot reduce local need as stated above.

In answering the following questions it will be demonstrated that the Councils have not undertaken an objective assessment of housing needs across the two authorities and in failing to do so the CS is not consistent with NPPF.

**4. Is the proposed quantum of housing development (KS3) justified by the evidence?**

KS3 as amended by the Schedule of Proposed Changes to the CS Pre-Submission November 2012 document proposes *“About 8,200 new homes will be provided in the plan area between the years 2013 and 2028.”*

With reference to the wording of the changed policy we would request the deletion of the word *“about”* and its replacement with the wording *“at least”*. A minimum housing target is more precise, which will assist in calculating a five year land supply and determining a housing trajectory.

The proposed quantum of development is not justified by the evidence. It is confusing as the mathematics do not seem to add up with discrepancies between the figures. The Pre Submission CS proposed between 2013-2028 about 3,020 new homes in Christchurch (Policy KS3) and about 5,250 new homes in East Dorset

(Policy KS4) which added together equal 8,270 new homes (3,020 + 5,250 = 8,270) across the two Districts.

The Proposed Changes revised Policy KS3 to “*about 8,200 new homes*”. The amended text to Paragraph 4.18 explains that evidence prepared by Dorset County Council derived from 2011 census data demonstrated an assessment of need below the up-dated Bournemouth & Poole SHMA (2012). Therefore, there is a need for 7,500 new market and affordable homes in Christchurch and East Dorset between 2013-2028. However for additional flexibility to give a tolerance for potential non delivery of some proposals and possible future changes in statistical data which affect household projections, a joint housing target has been set at 8,200 dwellings approximately 10% over and above the baseline need figure.

So in summary the original joint figure of 8,270 new homes was revised down to 7,500 new homes, then the figure was increased to 8,200 new homes by the addition of a contingency.

The baseline figure of 7,500 is derived from Dorset County Council Housing Projections 2013-2028. The household figure for each District is calculated from household growth per annum multiplied by 15 year plan period, so for East Dorset 265 new households per annum x 15 equals 3,975 and for Christchurch 215 new households per annum x 15 equals 3,225. When added together there is a household growth of 7,200 between 2013-2028. This household growth figure is converted into dwellings by applying a 2.5% vacancy rate to equal 7,380 new homes.

However the Dorset County Council Housing Projections 2013-2028 calculate housing requirement from inappropriate assumptions :-

Firstly, the papers state “*actual net dwelling completions between 2002 and 2010 by District are included as a basis for levels of population growth during 2001 and 2011*”. Such an assumption is flawed, it is inappropriate for the supply of housing to be included as an assumption in the calculation of housing need or demand. The NPPF requires consideration to be given to housing needs and supply in ensuring that CSs meet the full, objectively assessed needs for market and affordable housing. In so doing, it is important to distinguish these two elements as follows :-

- Housing needs : How many houses do we need in the local area?
- Housing supply : How / Where can these houses be delivered?

The implication is that housing supply matters should be taken into consideration following the identification of local needs. They should not be used to inform the assessment of needs and any CS that seeks to do so is should be found unsound.

Secondly, the calculations use a 2.5% vacancy rate yet Paragraph 2.4 page 4 of the Bournemouth/Poole HMA 2011 SHMA Update Summary Report for Christchurch Borough Council dated January 2012 confirms a vacancy rate of 3.1%.

Thirdly, there is no evidence of any allowance for second homes.

Fourthly, there is no provision for any shortfall in affordable housing provision in preceding years as detailed below :-

Using the CLG Housing Needs Model the Bournemouth / Poole HMA 2011 SHMA Update Summary Report for Christchurch Borough Council dated January 2012 identified a need for 332 affordable homes per annum in Christchurch (Paragraph 5.7 page 12), which equals 4,980 affordable homes over the plan period ( $332 \times 15 = 4,980$ ). The Bournemouth / Poole HMA 2011 SHMA Update Report for East Dorset District Council identified a need for 426 affordable homes per annum in East Dorset (Paragraph 5.8 page 13), which equals 6,390 affordable homes over the plan period. Added together 11,370 affordable homes are identified as needed by the CLG Housing Needs Model.

Alternatively the Fordhams Research Balanced Housing Market Model identifies a need for 163 affordable homes per annum in Christchurch (Paragraph 1.7 page 4 of Christchurch BC Affordable Housing Provision & Developer Contributions in Dorset Final Report January 2010 by Three Dragons), which equals 2,445 affordable homes over the plan period ( $163 \times 15 = 2,445$ ). The same model identifies the need for 243 affordable homes per annum in East Dorset (Paragraph 1.7 page 4 of East Dorset DC Affordable Housing Provision & Developer Contributions in Dorset Final Report January 2010 by Three Dragons), which equals 3,645 affordable homes over the plan period ( $243 \times 15 = 3,645$ ). Added together 6,090 affordable homes are identified as needed by the Fordhams Research Balanced Housing Market Model.

Therefore there is a need for between 6,090 to 11,370 affordable homes as identified by models used in the SHMAAs. The CS proposes a total baseline housing need figure of only 7,500 for both market and affordable new homes. So the CS is not meeting the assessed level of affordable housing need as required by the NPPF.

Fifthly, the Dorset County Council Housing Projections papers are overly reliant on 2011 based statistics as set out below :-

- **Take account of up to date population data?**

In the Bournemouth / Poole HMA 2011 SHMA Update Final Report dated January 2012 by JG Consulting and Chris Broughton Associates, the 2008-based ONS / CLG population / household projections have been updated to a mid-2011 base, any further adjustment risks artificially lowering figures.

The exclusive use of the 2011 census data in the Dorset County Council Housing Projections 2013-2028 is inappropriate. In the Cambridge Centre for Housing & Planning Research (CCHPR) report "*Choice of Assumptions in Forecasting Housing Requirements Methodological Notes*" dated March 2013, Council's are cautioned against using the latest 2011-based interim figures to justify low housing requirements in CSs. The report states "*There will be a temptation to modify the household numbers suggested by the projections to reflect the 2011 census but this should only be done where there is clear evidence that the changes are not the result of short-term fluctuations which are likely to come back to trend in the medium term. It follows that to make a case for lower household numbers than suggested by the 2008-based household projections local authorities would need to not only show that the actual household numbers in their area in 2011 were lower than projected but also to argue convincingly that the shortfall was not due to short term factors that would re-balance during the plan period. The 2011 census results are a snap shot taken after a period of severe economic and housing market volatility, it would be*

*reasonable to expect the numbers of households that formed in the years running up to the census were significantly below the low term trend”.*

The rapid contraction of the mortgage market in 2008 has had a disproportionate impact on first time buyers and this is reflected in the 2011-based household projection dataset, which shows a greatly reduced rate of new household formation where the head of household is aged 25-34 illustrating an increasing number of young people forced to live at home with parents. This trend is re-emphasised by the increase in household size indicated in the Dorset County Council Housing Projections 2013-2028 for the two authorities.

However even the 2011 interim household projections indicate household growth of 224 households per annum in Christchurch and 291 households per annum in East Dorset between 2011–2021. So over the plan period the total increase in households would be 7,725 (515 x 15) across the two authorities, a household growth figure in excess of the Councils baseline housing requirement of 7,500 dwellings.

Sixthly, the Dorset County Council Housing Projections 2013-2028 are not a SHMAA, the NPPF requires objectively assessed housing need to be based upon a SHMAA. The Bournemouth/Poole HMA 2011 SHMA Update Summary Report for Christchurch Borough Council dated January 2012 identifies for Christchurch a household growth of 219 per annum (Paragraph 6.10 page 17), which over the plan period would equal 3,285 new households (219 new households per annum x 15 year plan period). The Bournemouth/Poole HMA 2011 SHMA Update Summary Report for East Dorset District Council dated January 2012 identifies a household growth of 336 per annum (Paragraph 6.10 page 19), which equals 5,040 new households over the plan period (336 x 15 = 5,040). So added together there is an estimated household growth of 8,325 between 2013-2028 across the two Districts as identified in the SHMAA.

Using the National Housing & Planning Advice Unit (NHPAU) Demographic Method for calculating required housing supply as set out in the document “*Meeting the Housing Requirements of an Aspiring Nation : Taking the Medium to Long Term View*” dated June 2008, whereby growth in households + existing constrained demand (backlog of constrained need and demand because projected household growth has consistently exceeded housing supply over previous decades resulting in shared households, overcrowding, homelessness, households living in temporary accommodation) + demand second homes (1.1% of English housing stock) + vacancy in new supply (3%) 8,325 households converts into 8,666 dwellings assuming any constrained demand has been identified and incorporated in the SHMAA household figures. 8,666 new homes over the plan period is significantly higher than the 7,500 baseline need figure set out in the Proposed Changes document. If the Councils own proposed 10% flexibility allowance is added to 8,666 new homes, the re-calculated figure becomes 9,532 new homes rather than about 8,200 new homes stated in amended Policy KS3.

Whilst we apologise for the overly simplistic calculations above, these illustrate that the figures of 7,500 and 8,200 do not represent the full objectively assessed housing needs of the two Districts. These figures are an under-estimation of housing needs. The reliance by the Councils on the Dorset County Council Housing Projections 2013-2028 as its main evidence to justify the housing requirement figure is unsound.

**Does it :**

- **Take account of unmet need in adjacent districts?**
- **Allow inward migration?**

Whilst the two Councils have successfully worked together to produce a joint CS, there is limited evidence of effective working with other neighbouring authorities on strategic issues like housing as required by Paragraphs 17, 157, 178 and 181 of the NPPF and Section 33(A) of the Planning & Compulsory Purchase Act 2004 as amended by Section 110 of the Localism Act 2011.

Christchurch and East Dorset Councils have six other neighbouring authorities namely Bournemouth Borough Council, Borough of Poole, Purbeck District Council, North Dorset District Council, New Forest District Council and Wiltshire Council. Four of these authorities form part of the Dorset (referred to as the Bournemouth/Poole) Strategic Housing Market Area (SHMA) whilst New Forest and Wiltshire do not.

Since the revocation of the Draft Regional Spatial Strategy (RSS) for the South West on 20<sup>th</sup> May 2013, overall proposed housing provision across the region has been estimated to have fallen by -18.28%.

This is evidenced by lower housing numbers proposed in plans either adopted or submitted for examination by neighbouring authorities as illustrated by the Table in Appendix 1 attached. This Table illustrates that overall housing provision across the six neighbouring authorities abutting Christchurch and East Dorset District Councils is 12,682 to 16,237 dwellings below assessed housing need as estimated by using and comparing the “What Homes Where?” toolkit figures, Bournemouth/Poole SHMAA data and the NHPUA Demographic Method of calculating housing supply.

The “What Homes Where?” toolkit has been developed as a resource to provide independent and publicly available data on the household and population projections for every local authority in England. The aim of the resource is to assist LPAs understand the drivers of housing need. This resource has been jointly sponsored by the Local Government Association, the HBF, the Planning Advisory Service, the Planning Officers Society and Shelter among others. Moreover the use of the “What Homes Where?” toolkit in determining objectively assessed housing need has been endorsed by Inspectors at examinations into the West Northamptonshire’s Joint Core Strategy and the Gravesham Local Plan Core Strategy.

Therefore at this time, it is important that the Councils do not assume that just because neighbouring authorities have not drawn attention to any matters of a strategic nature, such strategic pressures do not exist. If any neighbouring authorities are not adequately meeting their own assessed housing needs in particular Purbeck, New Forest and Wiltshire (as illustrated in the Table in Appendix 1), these housing pressures could impinge upon Christchurch & East Dorset worsening an already identified housing crisis as illustrated by the existing high ratio of income to house price ratios and long housing waiting lists. The CS is not accounting for such cross boundary impacts.

**5. Should the housing provision :**

- **Provide a separate target for each Council area?**

The Pre Submission CS was based on a separate target for each District. For clarity it is useful to have both an overall target and a split between the two Districts. Is East Dorset meeting any of Christchurch's housing needs or vice versa? It is not clear from the CS whether or not shortfalls in one District can be made up for in the other District. Is housing land supply interchangeable? These uncertainties should be clarified by the Councils and the CS modified accordingly.

- **Take account economic / employment growth?**

## **7. Does the overall strategy take account of the balance and linkages between workforce projections and housing growth?**

Both the Bournemouth / Poole HMA 2011 SHMA Update Summary Reports dated January 2012 for Christchurch Borough Council and East Dorset District Council respectively identify concerns about continued economic / employment growth. The reports conclude "*as well as an ageing population the projections clearly identify that if current trends continue then the number of people in key working age bands (16-64) is unlikely to change significantly. This may act as a barrier to economic growth in Christchurch*" (Paragraph 6.12 page 18) and "*the number of people in key working age bands (16-64) is likely to decline which may potentially generate a labour shortage when looking 20 years ahead. This may act as a barrier to economic growth in East Dorset District*" (Paragraph 6.12 page 20).

The CS has no proposals to counter these problems.

In conclusion Policy KS3 is unsound because it is not based on an objective assessment of housing need as required by NPPF. Therefore the CS does not satisfy the four tests of soundness set out in Paragraph 182 of the NPPF. The CS is not positively prepared, justified nor consistent with the NPPF so it will not be effective in boosting housing supply and delivering new homes to meet its identified housing needs. Policy KS3 should be modified so that the joint housing requirement for Christchurch and East Dorset is based upon the up-dated SHMAA to which appropriate allowances for second homes (at least 1.1% or higher as determined by the Councils) and vacancy rates (minimum 3.1% or higher as determined by Councils) should be applied. The Councils own contingency of 10% should also be added to give flexibility to address economic growth concerns, need for affordable homes and to accommodate migration of households because of unmet needs in neighbouring authorities such as Purbeck, Wiltshire and New Forest. The housing requirement should be expressed as a joint figure and separately for each authority, the figures should be expressed as minimums. The CS should explicitly explain whether or not any housing needs from Christchurch are being accommodated in East Dorset or vice versa.

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