



Planning Policy (North Dorset)
South Walks House
South Walks Road
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Date: 19 January 2018
Our Ref: AG M5/0108-11
Your Ref:

By email only:
planningpolicy@north-dorset.gov.uk

Dear Sir/Madam

RE: LOCAL PLAN REVIEW ISSUES AND OPTIONS CONSULTATION

We represent the **South West HARP Planning Consortium** which includes all the leading Housing Association Registered Providers (HARPs) across the South West. Our clients' principal concern is to optimise the provision of affordable housing through the preparation of consistent policies that help deliver the wider economic and social outcomes needed throughout the South West region.

National Context

It is imperative that the Council take into account recent changes and proposed changes in legislation and policy.

The Council will be aware of the publication of the Government's Housing White Paper in February of last year. The White Paper proposed a number of planning reforms in order to boost the delivery of both market and affordable housing. We note the inclusion of a number of new tenures within this proposed definition.

The announcement signalled a further softening of the Government's stance on Starter Homes. As a result, they should now be considered alongside the other proposed affordable tenures specified in Box 4 of the Housing White Paper. As the Government is now expected to publish a consultation draft update to the NPPF at the end of February it is critical that the Council considers the Government's commitments to both diversify the types of affordable housing available and accelerating its delivery when considering affordable housing obligations.

At the beginning of July 2017, now Secretary of State for Housing, Communities and Local Government Sajid Javid addressed the Local Government Association (LGA) conference outlining what national and local governments need to do to address the nationwide housing crisis. He stated that *"there's a serious shortage of decent, affordable housing in this country"*.

Mr Javid summarised the issue, by outlining that:

"the simple fact is that to put this right we need to build more homes that people want to live in, in places people want to live".

As noted above, since Mr Javid's speech, there has been an increasing amount of rhetoric from Government to boost affordable housing provision but to also maximise the amount of affordable housing being delivered on each individual site.



Most notable, is the ratification of the Mayor of London's affordable housing Supplementary Planning Guidance (SPG) 'Homes for Londoners' which was adopted in August 2017. The document aims to maximise the amount of affordable housing being provided on schemes by introducing a 'threshold approach to viability' and ensuring that developers provide the 'maximum reasonable amount' of affordable housing.

Following the adoption of the 'Homes for Londoners' SPG, we are aware of an increase in the number of planning applications refused at appeal due to an insufficient amount of affordable housing being proposed on site across London.

Appeals include a 268 dwelling, mixed use scheme in the City of Westminster refused in September 2017 by Sadiq Khan over "*unacceptable affordable housing provision*"; and a 705 dwelling, brownfield site in the Royal Borough of Kingston upon Thames's refused by the Secretary of State in September 2017 over serious deficiencies in the section 106 "*particularly in relation to the securing of affordable housing*".

In November 2017 the Secretary of State, Sajid Javid, gave a speech on the housing market stating that:

"Without affordable, secure, safe housing we risk creating a rootless generation, drifting from one short-term tenancy to the next, never staying long enough to play a real role in their community."

He noted that the number of new homes in England had increased by more than 217,000 in the past year, representing the highest level of house building since the recession but also stated that there remains much, much more to be done.

Local Context

Evidence from the National Housing Federation's Home Truths South West report indicates that North Dorset is steadily becoming one of the most unaffordable places to live in the South West. Based on 2016 data, the average house price in North Dorset was £261,532. When taken against average annual earnings of £24,508, this results in a house price to income ratio of 10.7. Which means that in North Dorset the average value of a property is nearly eleven times the average annual income.

As property prices have continued to rise, increasing numbers of people are living in the private rented sector. The rise in numbers renting, coupled with below average salaries has contributed to a rise in the number of working people claiming housing benefit. With the average private rented property costing £705 to rent per month, North Dorset's mean monthly private sector rents are some of the highest across the South West.

Home Truths South West reports that there is already a moderate stock of housing association affordable homes already in North Dorset, with a provision of 4,444 such properties. It is important to highlight that despite this provision; the District is already suffering from a lack of affordability which means that more market and affordable housing needs to be provided in order to alleviate the affordability issue.

Objectively Assessed Need

In September the Government opened a consultation on proposals for calculating local housing need to ensure a nationally 'consistent approach'. The new approach could see North Dorset's Objectively Assessed Need (OAN) increase around 10.9% from 330 dwellings per annum to 366 dwellings per annum as illustrated by figure 1.

Figure 1: Application of proposed OAN formula in North Dorset

Local Planning Authority	Current OAN Figure based on most recent publicly available document (dwellings per annum)	OAN Consultation Figure based on proposed formula, 2016 to 2026 (dwellings per annum)	Percentage Change
North Dorset	330	336	10.91%

Source: Government Housing need consultation data table

Should the Government be minded to implement the new approach in the forthcoming update to the NPPF, North Dorset could see its affordable housing requirement increase considerably from the 146 dwellings per annum indicated in the 2015 SHMA. The new methodology could see the requirement increase by up to 10% which would equate to around 15 additional affordable dwellings per annum. This would increase the Council's annual affordable housing requirement to 161 dwellings per annum.

Affordable Housing Shortfall

The existing North Dorset Local Plan was adopted in January 2016 and covers the period 2011 until 2031. DCLG data suggests that since the start of the plan period in 2011 a gross total of 470 affordable dwellings have been completed, as illustrated in Figure 2. This means that every year, the Council has provided a gross average of around than 78 affordable homes.

It is important to note that the affordable housing delivery needs to be reviewed with caution; the 470 affordable dwellings is a gross amount, it does not take into account any losses in housing stock. Right to Buy (RtB) sales can represent significant losses in the affordable housing stock.

Figure 2: Gross Affordable houses delivered North Dorset 2011-2017

Year	Affordable Houses Delivered
2011/12	140
2012/13	60
2013/14	100
2014/15	80
2015/16	40
2016/17	50
TOTAL	470

Source: CLG Live Table 1008C

Figure 3 compares the annualised affordable housing requirement in the 2015 SHMA with gross affordable housing delivery in the District over the SHMA period, which covers 2013-2033. The table indicates that there has been a shortfall of 314 affordable homes to date and the Council has not exceeded the requirement since the start of the SHMA period.

Figure 3: Gross Affordable Shortfall in North Dorset 2013-2017

Year	Gross Affordable Housing Delivered	Affordable Housing Requirement (2015 SHMA)	Shortfall
2013/14	100	146	-46
2014/15	80	146	-66
2015/16	40	146	-106
2016/17	50	146	-69
TOTAL	270	548	-314

Source: CLG Live Table 1008C, Eastern Dorset Strategic Housing Market Assessment SHMA 2015

Given the acute affordable housing need in North Dorset, and the ongoing shortfall in provision, we encourage the Council to set ambitious yet pragmatic targets to increase affordable housing delivery across the District. Providing a separate target in the Local Plan solely for the delivery of affordable housing is a useful planning measure, and this should include a review mechanism to ensure that if the target is not being met that appropriate action is taken to bring forward development of more affordable housing.

Policy 8 – Affordable Housing

In line with the November 2014, Written Ministerial Statement (WMS) and subsequent changes to Planning Policy Guidance (PPG), we note paragraph 11.4 on page 80 of the Issues and Options Consultation document states that:

“Policy 8 of the LPP1 is consistent with national policy and as a result there is currently no need to revise the thresholds detailed in the policy as part of the LPR.”

Planning Policy Guidance states that:

‘Contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floor space of no more than 1,000 square metres (gross internal area)’
[Paragraph: 031 Reference ID: 23b-031-20161116]

Whilst we acknowledge the PPG indicates that affordable housing contributions should not be sought on developments of 10 dwellings or less, it is important to note that the PPG is a material consideration and not formally adopted policy.

There have been a significant number of appeal decisions since the Guidance was set out where a precedent has been set for Councils with acute affordable housing need to supersede guidance set out in the PPG. By implementing a lower affordable housing threshold, Councils can boost their supply of affordable housing through the contributions made on smaller sites.

Smaller sites often form a considerable proportion of windfall delivery in a Local Authority and as a result can significantly increase affordable housing delivery. This is due to the fact that as these types of sites generally take less time to be built out and consequently will be available to the market sooner than provision on larger schemes.

Given the low levels of affordable housing delivery across the District, increasing affordability issues, and a constrained supply of housing land, we would encourage the Council to consider implementing a lower affordable housing threshold as a mechanism to boost supply of affordable housing.

Policy 9 – Rural Exception Affordable Housing

In response to **Consultation Question 22**, we are of the view that limiting the number of properties on rural exceptions sites to nine dwellings or less should be removed from Policy 9. The continued implementation of a maximum threshold is likely to prevent medium and larger rural exceptions sites from coming forward and may act as a deterrent for developers seeking to provide affordable housing in rural locations. As a result, the retention of this element of the policy is likely to have a negative effect on the provision of affordable housing throughout the district, of which there is already a significant shortfall.

In response to **Consultation Question 23**, we consider that the existing policy approach which seeks to prevent sites coming forward adjacent to the four main towns within the District should be amended. It is highly likely that the need for affordable housing in these locations is going to be greater than elsewhere in the district due to the concentrated population resulting in increased need and undersupply of affordable properties. Given the significant affordable housing shortfall across North Dorset, we are of the view that exception sites should be encouraged as a mechanism to proactively increase affordable housing provision across the District.

Consultation Question 24 indicates the Council's intention to continue to allow a 'small' number of market homes on rural exception sites. We agree with this policy approach as it actively contributes to the formation of inclusive and mixed communities in line with national planning policy objectives, whilst boosting the supply of affordable housing in rural locations and across the District.

We would like to be consulted on further stages of the Plan and other publications by the Council, by email only to consultation@tetlow-king.co.uk. Please ensure that the **South West HARP Planning Consortium** is retained on the planning policy database, with **Tetlow King Planning** listed as their agents.

Yours faithfully



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For and On Behalf Of
TETLOW KING PLANNING

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