

Interim Position Statement on Housing Provision and Housing Land Supply

Introduction

1. This statement sets out North Dorset District Council's interim position with regard to future housing provision and housing land supply in the light of the Government's intention to abolish regional strategies.
2. The District Council will have regard to this position statement as a material consideration when determining planning applications and making other planning decisions. The position statement may be amended from time to time as greater clarity emerges during the reform of the planning system.

Government Intention to Abolish Regional Strategies

3. The Localism Bill was published on 13 December 2010. Section 89 in Chapter 1 of Part 5 seeks:
 - to repeal the relevant sections of the Local Democracy Economic Development and Construction Act 2009, which require the production of regional strategies; and
 - to revoke all extant regional strategies.
4. The Government's 'essential guide' to the Bill indicates that these actions are proposed with the aim of lifting the burden of bureaucracy. The 'essential guide' also indicates that in relation to regional strategies *"the Localism Bill will abolish top-down regional targets in favour of democratic local decision-making and replace millions of words of documentation with focused local plans that reflect the local area's vision."*¹
5. The Regional Strategy relevant to Dorset (which will be revoked) consists of:
 - Regional Planning Guidance for the South West (RPG 10), which was published by the Government Office for the South West (GOSW) in September 2001; and
 - The Regional Economic Strategy for South West England 2006 – 2015, published by the South West Regional Development Agency (SWRDA) in May 2006.
6. The Government attempted to revoke all extant regional strategies in July 2010 by using the Secretary of State's reserve powers in the Local Democracy Economic Development and Construction Act 2009 (the Act). However, in a case brought by Cala Homes (South) Ltd, the High Court found this action to be unlawful.
7. Since about 2005 work has been progressing on the 'emerging' Regional Spatial Strategy for the South West to replace RPG 10. The South West Regional Assembly produced a draft of the 'emerging' RSS

¹ <http://www.communities.gov.uk/documents/localgovernment/pdf/1793908.pdf>

in 2006 ('the draft RSS'), which was modified by the Secretary of State in 2008 ('the RSS Proposed Changes') following an examination in public in 2007. However, in the light of the Government's intention to abolish regional strategies, the 'emerging' RSS is no longer being taken forward.

The Basis for a Review of Housing Provision

8. The 'essential guide' to the Localism Bill re-affirms earlier Government commitments to abolish top-down regional targets. The Coalition Agreement² and DCLG's Structural Reform Plan³ indicated that the Localism Bill would radically reform the planning system "*based on the principles set out in the Conservative Party publication Open Source Planning*". The Structural Reform Plan also stated that "*Local Planning Authorities will be able to begin working in new ways on local plans in advance of the passing of the Localism Bill*". The Government hopes to enact the Bill by November 2011.
9. In Open Source Planning⁴ the Conservative Party indicates that it considers the figures used in draft RSSs⁵ (the so-called 'Option 1 numbers') to be "*a reasonable assessment of housing need, including affordable housing*". It also states that "*we therefore expect that these Option 1 numbers will be used by local authorities as the base-line for the projections*" and that they "*will be used as provisional housing numbers in their Local Development Frameworks until new local plans are completed*".
10. When the Government attempted to revoke regional strategies earlier in 2010, it also produced advice for local authorities on how to deal with the 'immediate issues' arising from revocation. Although that attempt at revocation was subsequently found to be unlawful, the advice particularly in relation to plan making remains helpful, since revocation is still likely to occur albeit at a later date and via a different mechanism. The DCLG advice from 6 July 2010⁶ states that post-revocation local planning authorities will still be:
 - responsible for establishing the right level of local housing provision in their area;
 - required to identify a long term supply of housing land in line with Planning Policy Statement 3: Housing (PPS3); and
 - required to demonstrate a 5-year supply of housing land.

² http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf

³ <http://www.communities.gov.uk/documents/corporate/pdf/16359212.pdf>

⁴ <http://www.planningconsultation.com/uploads/planning-green-paper.pdf>

⁵ In the case of North Dorset, these are the housing numbers set out in the draft RSS for the South West produced by the South West Regional Assembly in June 2006

⁶ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf>

Review of Housing Provision and Housing Land Supply in North Dorset

Interim Position Statement – Part 1

In the light of the Government's intention to revoke the Regional Strategy for the South West, the Council will review the proposed level of housing provision in North Dorset, as set out in the 'New Plan for North Dorset' (the Draft Core Strategy and Development Management Policies DPD).

11. DCLG guidance from July 2010 reflects the statement in Open Source Planning that local planning authorities *"may decide to review and/or revise their emerging policies in the light of the revocation of Regional Strategies"* and that they *"may decide to review their housing targets"*. It also adds that where they decide to review housing targets they *"should quickly signal their intention to undertake an early review so that communities and land owners know there they stand"*.
12. The current regional strategy (which includes RPG 10) gives only very general guidance on the levels of housing development that should be provided. Policy HO 1 indicates that 2,650 dwellings should be built each year in 'Dorset' (which in this context includes Bournemouth and Poole), during the period 1996 to 2016. This figure was used to inform the current Structure and Local Plan, which include housing targets for the period up to the end of March 2011. There is no intention to revise these housing targets.
13. The Council has also sought to make provision for housing needs in the longer term through the draft New Plan for North Dorset (the draft Core Strategy and Development Management Policies DPD), which was published for public consultation on 15 March 2010. The housing targets in the draft New Plan for North Dorset are based on the annualised housing provision figures in the 'RSS Proposed Changes'. Draft Core Policy 4 of the New Plan for North Dorset indicates that 7,000 new homes will be built in North Dorset between 2006 and 2026.
14. The Council's intention is to review this proposed level of housing in the draft New Plan for North Dorset now that the Government intends to abolish regional strategies.

Interim Position Statement – Part 2

The Council will use the overall annual average rates of provision contained within Table 4.1 of the Draft Regional Spatial Strategy for the South West (the Option 1 figures) as the starting point for the review. It is currently intended to re-base the revised housing provision figures in the draft 'New Plan for North Dorset' to April 2011.

15. In December 2007 the RSS Examination in Public (EiP) Panel recommended higher levels of housing provision across the South West on the basis of the 2003 DCLG household projections. However, the validity of these housing figures, which were largely supported by the Secretary of State in the RSS Proposed Changes, has been undermined by the recent economic downturn. The Panel strongly endorsed the projections on the basis of a briefing note tabled at the meeting of the Regional Spatial Planning and Transport Group of the Regional Assembly in February 2007 which stated *“short of some major economic or other catastrophe, it seems likely that household formation rates will increase and therefore household size will continue to decline at around the rate projected by the DCLG for the next twenty years and beyond”*⁷.
16. Since the publication of that document the country has suffered its first recession since 1991. It is widely recognised that the downturn has been severe and consequently many uncertainties remain about the speed and rate of economic recovery.
17. In March 2010, the Council published the draft New Plan for North Dorset, which showed how the level of housing proposed by the Secretary of State in the RSS Proposed Changes could be accommodated. It was a requirement for the Core Strategy to be in general conformity with the Regional Strategy.
18. The ‘emerging’ RSS has been a material consideration in planning decisions since 2006 and often its emerging housing policies have been weighed against the policies of the adopted Development Plan when planning decisions have been made. As the ‘emerging’ RSS progressed towards final approval the weight attached to its policies increased. However, the impending revocation of regional strategies affects the weight that can now be attached to it. The ‘emerging’ RSS for the South West never formed part of the Regional Strategy and on the assumptions that the Localism Bill will both amend existing legislation and revoke all extant regional strategies, it never will. With minimal prospect of the ‘emerging RSS’ ever forming part of the Regional Strategy or the Development Plan, the weight to be attached to it in planning decisions is therefore reduced.
19. The general commitment to abolish top-down regional targets is re-affirmed in the ‘essential guide’ to the Localism Bill and DCLG advice from July 2010 provides more guidance on how this will be achieved. It states that local planning authorities *“will be responsible for establishing the right level of local housing provision in their area, and identifying a long term supply of housing land without the burden of regional housing targets”*. Open Source Planning states that the Option 1 targets *“will be used as provisional housing numbers in their Local Development Frameworks”* and the DCLG guidance confirms

⁷ See paragraph 2.21 on page 28 of the Draft Regional Spatial Strategy for the South West Examination in Public Panel Report (December 2007)

that local authorities “*may base revised housing targets on the level of provision submitted to the original Regional Strategy examination (the Option 1 targets), supplemented by more recent information as appropriate*”.

20. In line with the ‘essential guide’ to the Localism Bill, Open Source Planning and DCLG advice, the Council will use the Option 1 figures as a starting point for a review of housing numbers in North Dorset. These numbers provide a useful starting point because they were locally generated.
21. As part of the review of housing numbers in North Dorset, the Council will assess the appropriateness of the Option 1 numbers in the light of more recent information, including new or updated evidence on housing need and demand, the future of the economy and the environmental implications of growth.
22. The Council will also have regard to the consultation responses received in respect of the draft New Plan when undertaking the review of housing numbers.
23. The Option 1 figures proposed an overall annual average of 255 net additional dwellings per annum (dpa) between 2006 and 2026. A higher level of provision was envisaged in the period up to 2016 (290 dpa) with a lower rate (220 dpa) after that date. Paragraph 4.5.7 of the draft Regional Strategy made it clear that the rate in the period 2006 to 2016 reflected a number of factors, including housing land supply and in rural areas “*committed development under existing Local Plans*”. It also indicates that “*provision in the second period (i.e. post 2016) more closely accords with the strategy*”. The Council will assess the appropriateness of these phasing arrangements as part of the review of housing numbers.
24. DCLG guidance from July 2010 confirmed that following the revocation of regional strategies, local planning authorities should continue to have regard to the Development Plan when determining planning applications. In North Dorset the Development Plan includes the ‘saved policies’ from:
 - The Bournemouth, Dorset and Poole Structure Plan (February 2001)⁸; and
 - The North Dorset District-wide Local Plan (First Revision) (January 2003)⁹.
25. The proposed revocation of regional strategies provides an opportunity to reconsider the base date for the New Plan for North Dorset. This was set as April 2006 in the draft, in order to conform to the base date

⁸ Link to Schedule of Saved Structure Plan policies - <http://www.dorsetforyou.com/media.jsp?mediaid=132359&filetype=pdf>

⁹ Link to Schedule of Saved Local Plan policies - <http://www.dorsetforyou.com/media.jsp?mediaid=148035&filetype=pdf>

for the 'emerging' Regional Spatial Strategy. However, since the 'emerging' RSS is now no longer being taken forward, a different approach is considered more appropriate. It is currently proposed to rebase the New Plan to April 2011, so that it follows on from, rather than overlaps with, the current Structure and Local Plans.

Housing Land Supply in the Period up to 31 March 2011

Interim Position Statement – Part 3

In the period up to 31 March 2011, the Council will monitor housing land delivery against the overall average annual net housing provision figures for North Dorset derived from Housing Policy A of the Structure Plan and Policies 2.1 and 2.3 of the Local Plan (i.e. 336 net additional dwellings per annum). Performance will be assessed from April 1994 onwards (i.e. the beginning of both plan periods).

26. The key adopted policies relating to the level of housing provision in North Dorset are:
- Housing Policy A of the Structure Plan; and
 - Policies 2.1 and 2.3 of the Local Plan.
27. The Local Plan policies are 'saved' and will continue to form part of the Development Plan until they are superseded by new policies. However, they (and Housing Policy A of the Structure Plan) will become 'time expired' after 31 March 2011. The Council will, therefore, use the housing provision figures in these policies as the basis for assessing performance in terms of housing delivery in the period up to 31 March 2011. Up until 31 March 2011, the Council will calculate housing land supply on the basis of performance from the start of the plan period (April 1994), taking account of any under or overprovision against the planned rate since that date.
28. Although housing numbers in the Structure and Local Plans are based on gross figures, in recent years the convention has been to calculate housing land supply on the basis of net figures (i.e. taking account of the likely number of dwellings that will be lost during the Plan period, for example through redevelopment or the construction of individual replacement dwellings).
29. Housing Policy A from the Structure Plan requires the provision of about 5,900 (gross) dwellings in North Dorset during the 17-year period from April 1994 to March 2011, but paragraph 6.30 sets out the net equivalent housing provision figure of about 5,700 dwellings. This equates to 347 gross dwellings per annum (dpa), as set out in Local Plan Policy 2.3, or 336 net dpa. The Council will use these figures as the basis for housing land supply calculations.

30. Any five year land supply calculation needs to look beyond the end of the current Structure and Local Plan periods (i.e. beyond 2011). In order to estimate need beyond 2011, the Council will use the Option 1 annual housing provision figure (i.e. 290 dpa) for an additional four years. The housing land supply calculation, as at 31 March 2010 (based on this approach and these figures) is set out in Appendix 1. This calculation shows a supply of 12 years.

Housing Land Supply from 01 April 2011 Onwards

Interim Position Statement – Part 4

From 01 April 2011, the Council will monitor housing land delivery against the overall average annual net housing provision figures for North Dorset set out in Table 4.1 of the Draft Regional Spatial Strategy for the South West (i.e. the Option 1 figures: 290 net additional dwellings per annum up to 2016 and 220 net additional dwellings per annum thereafter). Performance will be assessed using April 2011 as a base date. This approach will continue until new housing numbers are formally established and / or included in a revised version of the New Plan for North Dorset.

31. Following the review of housing provision in North Dorset, the Council intends to include draft new housing numbers in a revised New Plan for North Dorset that would then be taken forward to examination and adoption. Prior to draft new housing numbers being established in the revised New Plan (or any other plan required following legislative changes) the Council will use the Option 1 housing numbers as the basis for any housing land supply calculations. Since the Council currently intends to rebase the New Plan to April 2011, any housing land supply calculations will also be rebased to that date.
32. Until draft new housing numbers are established in the revised New Plan (or any other plan required following legislative changes), the Council will undertake any housing land supply calculations on the basis of the phasing arrangements for the Option 1 housing numbers (i.e. 290 dpa up until 2016 and 220 dpa thereafter). The five year requirement on 01 April 2011 will therefore be 1,450 net additional dwellings (i.e. 290×5). In the event that precisely 290 dwellings are delivered in 2011/12, the five year requirement would fall to 1,380 on 01 April 2012 (i.e. $290 \times 4 + 220$). Any under or overprovision against the planned rate from 01 April 2011 will be taken into account in future housing land supply calculations.

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- 2. The Council will use the overall annual average rates of provision contained within Table 4.1 of the Draft Regional Spatial Strategy for the South West (the Option 1 figures) as the starting point for the review. It is currently intended to re-base the revised housing provision figures in the draft 'New Plan for North Dorset' to April 2011.**
- 3. In the period up to 31 March 2011, the Council will monitor housing land delivery against the overall average annual net housing provision figures for North Dorset derived from Housing Policy A of the Structure Plan and Policies 2.1 and 2.3 of the Local Plan (i.e. 336 net additional dwellings per annum). Performance will be assessed from April 1994 onwards (i.e. the beginning of both plan periods).**
- 4. From 01 April 2011, the Council will monitor housing land delivery against the overall average annual net housing provision figures for North Dorset set out in Table 4.1 of the Draft Regional Spatial Strategy for the South West (i.e. the Option 1 figures: 290 net additional dwellings per annum up to 2016 and 220 net additional dwellings per annum thereafter). Performance will be assessed using April 2011 as a base date. This approach will continue until new housing numbers are formally established and / or included in a revised version of the New Plan for North Dorset.**

Appendix 1

Five Year Housing Land Supply in North Dorset @ 31 March 2010

Local Plan Housing Target 1994 to 2011 (net)	5700
Completions 1994 to 2010 (net)	6081
Residual Target 2010 to 2011 (net)	- 381
Target 2011/12 to 2014/15 (290 x 4) (Option 1 annualised target used for four years)	1160
Total five year requirement (1160 – 381)	779
Annualised requirement (779 / 5)	155.8
Net additional deliverable dwellings @ 31 March 2010	1869
No. of years of supply (1869 / 155.8)	12.00 years