

Dorset Council

Housing Delivery Test Action Plan

March 2022



Introduction

Over recent years various Government programmes have come forward with the aim of helping support the Government's objective of significantly boosting the supply of homes. Furthermore, there has been ongoing reform of the planning system with the aim of helping to stimulate and support house building.

As part of its reforms of the planning system the Government introduced a 'Housing Delivery Test' in 2018 as a mechanism to monitor delivery locally. This measures net additional dwellings delivered against the homes required with results on performance for each local planning authority in England issued annually¹. The latest set of results (2021 measurement) was published in January this year.

The consequences of failing the Test are set out in the National Planning Policy Framework (NPPF). All local planning authorities with a delivery performance of less than 95% should publish an Action Plan. The National Planning Practice Guidance sets out that:

'The action plan is produced by the local planning authority where delivery is below 95% of their housing requirement. It will identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery.'

An Action Plan is intended to be a practical document, focused on effective measures aimed at improving housing delivery within an area. This is Dorset Council's first Action Plan following local government reorganisation in 2019.

¹ It should be noted that the measurements for the Dorset Council Area are based on the old local authority boundaries prior to local government reorganisation in 2019. The measurements are set out on the following page.

Housing Delivery in the Dorset Council Area

Latest Performance against the Housing Delivery Test

The area covered by Dorset Council is largely rural in character and it has a high quality natural and historic environment including in respect of its landscape, much of which is subject to national designation. One of the key challenges in planning for the area is managing the level of housing growth within the many environmental constraints that exist.

Nevertheless, the need to deliver housing, particularly affordable housing, is an important issue for Dorset Council especially given the affordability problems relating to housing in Dorset. A failure to deliver sufficient new homes is likely to negatively impact on the economy, productivity, health and well-being.

Whilst the predecessor Councils identified sites and planned for growth, actual delivery rates over recent years have not always matched those set out in planning policy. The latest performance against the Housing Delivery Test (HDT) (2021 Measurement, published January 2022), based on the predecessor Councils' boundaries, are set out below. Against the test the West Dorset and Weymouth and Portland area met its respective requirement under the 2021 measurement. Unfortunately, the relevant targets were not met for East Dorset, North Dorset and Purbeck with delivery in all these areas less than 95% of their housing requirement.

Area of Dorset (based on predecessor Councils' boundaries)	Housing Delivery Test Result (2021 Measurement)
East Dorset ²	94%
North Dorset	69%
Purbeck	76%
West Dorset, Weymouth and Portland ³	114%

Given that the West Dorset, Weymouth and Portland area met its requirement there is no obligation in the NPPF for an Action Plan to be produced for the area. However, Dorset Council considers that as a matter of good practice it is sensible

² The HDT result for East Dorset has been measured jointly with Christchurch on the basis that there is currently a joint plan for the Christchurch and East Dorset area.

³ The HDT results for West Dorset and Weymouth and Portland have been measured jointly on the basis that there is currently a joint plan for the West Dorset, Weymouth and Portland area.

to identify ways to support delivery across the whole Dorset Council area. Consequently, whilst the focus of this action plan is on improving housing delivery rates in East Dorset, North Dorset and Purbeck, it is applicable to the whole geographic area covered by Dorset Council.

Issues relating to Housing Delivery

The Council continues to liaise with a range of key stakeholders involved in the planning process to better understand the key factors influencing housing delivery rates in Dorset. Information gathered has been considered alongside direct knowledge of local sites, land and development activity in order to fully understand the reasons for under-delivery in East Dorset, North Dorset and Purbeck as identified by the 2021 Measurement, published by the Government in January 2022. The reasons for under-delivery are set out below and are based on four topic areas 'Planning Process', 'Infrastructure and Public Services', 'Supply Side Issues' and 'Demand Side Issues'.

Planning Process

- On Dorset Council's formation in 2019 there were multiple planning IT systems in operation relating to the predecessor authorities. Consequently, there were inefficiencies in the approach to processing planning applications which led to a large validation backlog. This has had a negative impact in terms of the speed at which applications have been determined.
- Issues relating to recruitment and fluctuations in staffing levels, especially in Development Management, have also had an impact in terms of the processing of planning applications and the speed at which applications have been determined.
- Housing proposals, especially those classed as major development, often attract a large number of comments/objections including from statutory consultees. These comments/objections, when based on sound planning reasons, take time to resolve which lengthens the time it takes for a proposal to be granted planning permission. This consequently can have an impact on when construction starts on a site and, thus, when houses are delivered.
- Some planning applications could potentially be determined more quickly if processes in place worked more effectively. For example, pre-application advice being sought and received prior to formal submission of a planning application, faster feedback from consultees and the quicker drafting and signing off of legal agreements. Anecdotal evidence from applicants and agents suggests that the length of time it takes to secure planning permission, including drafting and signing off legal agreements, causes delay to their timetable for delivery.

Infrastructure and Public Services

Putting in infrastructure up front in developments can help to de-risk sites and speed up the delivery of housing on large sites. Whilst Dorset Council supports such an approach, and is seeing the benefits in respect of a number of sites including the Gillingham Strategic Site Allocation (SSA) in North Dorset, a number of key issues and challenges remain.

- Both large and small sites can have an impact on existing infrastructure and public services, which can slow delivery and negatively impact on local service capacity particularly where challenges exist to increase capacity.
- Larger sites, such as the Gillingham SSA, are often built out more slowly than anticipated. This is partly due to issues surrounding the amount of infrastructure that is required to support such developments. The fact that the Gillingham SSA has not delivered as anticipated has had a major impact on the housing land supply in North Dorset over recent years.
- Given the nature conservation designations, including European sites both within and in close proximity to the plan area, developments often need to provide site specific infrastructure, such as a Suitable Alternative Natural Greenspace (SANG)⁴, or be 'nitrogen neutral'⁵ to mitigate the impact of development on nature conservation interests. It normally takes time for a suitable mitigation project to be agreed with Natural England. However, mitigation projects must be agreed with Natural England to allow development to take place.

Supply Side Issues

As set out below there are a range of supply side issues that affect housing delivery rates in the Dorset Council area. This includes significant environmental constraints and an over-reliance on large scale private housebuilders in respect of housing delivery.

- The Dorset Council area is particularly environmentally sensitive when compared to many other parts of the country. As already referred to, the area has a high quality natural and historic environment including in respect of its landscape, with large swathes of the plan area being subject

⁴ Suitable Alternative Natural Greenspace (SANG) is the name given to greenspace that is of a quality and type suitable to be used as mitigation to offset the impact of new development on certain European sites. In the Dorset Council area SANGs are provided to mitigate against the negative impacts of new development on the Dorset Heathlands.

⁵ Poole Harbour is designated as a Special Protection Area (SPA) and Ramsar site. The Nitrogen Reduction in Poole Harbour Supplementary Planning Document (SPD) requires new development within the hydrological catchment of Poole Harbour to be 'nitrogen neutral'. The hydrological catchment covers parts of Purbeck, North Dorset and West Dorset.

to Area of Outstanding Natural Beauty (AONB) designation⁶. In addition to the two AONBs there are two heritage coasts and parts of the plan area (parts of the former East Dorset and Purbeck Council areas) are subject to Green Belt designation. Further to the high quality of the landscape, the historic environment and the Green Belt designation, as referred to above, there are a large number of nature conservation designations, including European sites both within and in close proximity to the plan area. The high quality of the environment makes it challenging to deliver housing especially given the site-specific mitigation measures that are often required to protect the environment.

- Housing delivery in the Dorset Council area is largely reliant upon private housebuilders. The number of dwellings delivered by the public sector, including the Council itself, is relatively small.
- In terms of private housebuilders, historically small and medium sized enterprise (SME) builders have made an important contribution to housing delivery in the Dorset Council area. The number of SME builders has reduced significantly following recent economic recessions. This has had a negative impact on housing delivery and led to an increased reliance on large scale volume housebuilders, most of which are only focused on larger sites over a certain size threshold (normally around 50+ dwellings).
- With regards to the North Dorset area, under-delivery is partly related to the Gillingham SSA failing to deliver as quickly as anticipated. There are a number of reasons for this strategic site failing to deliver as anticipated including, as referred to above, major infrastructure requirements relating to bringing the site forward. As a result of lengthy negotiations regarding viability matters, it has also taken a long time to draft and finalise the legal agreements relating to outline planning applications submitted for the site.
- The Council's latest monitoring data indicates that there are over 13,000 dwellings in the Dorset Council area that have been granted planning permission but have yet to be developed out. The Council will continue to work with the landowners/developers of these consented schemes to bring them forward as quickly as possible. However, there is a limited amount that the Council can do if a private landowner/private developer has taken a business decision to 'land bank' a site or develop it out at a slow rate.

Demand Side Issues

Demand for housing in the Dorset Council area is high, driven in part by people, especially retirees or people close to retirement age, moving to the area from other parts of the country. This means that affordability is a major issue

⁶ There are two AONBs within the plan area, the Cranborne Chase AONB and the Dorset AONB.

especially for local first time buyers. The affordability of new dwellings can be exacerbated by slow rates of build and reduced scale of delivery.

Key Actions & Responses

To reduce the risk of further under-delivery and to improve levels of delivery in East Dorset, Purbeck and North Dorset the Council has a range of different measures in place aimed at stimulating housebuilding across the whole of the Dorset Council area. These are set out below and are grouped under three headings 'Planning Processes', 'Supporting the Delivery of Housing' and 'Working with Government'.

Planning Processes

The Council recognises the importance of having a well-resourced, efficient and effective planning service in enabling and supporting housing growth. The Council will:

- Ensure that planning can support future housing delivery and wider growth through its ongoing planning transformation project. The project has already delivered significant improvements by bringing together planning data from five former predecessor Councils onto one planning database. This, combined with the introduction of more efficient processes, has enabled a large validation backlog to be cleared. Consequently, planning applications are now being validated within a few days of receipt. This will help to improve the speed at which applications are determined.
- Continue to progress work on the emerging Dorset Council Local Plan which will set a single planning policy framework for future growth across the whole Dorset Council area including the allocation of sites to meet housing needs.
- Continue to support groups producing neighbourhood plans. Neighbourhood plans can make an important contribution to housing delivery by allocating sites that are more likely to appeal to SME builders. The increased involvement of SME housebuilders will help to diversify the market in Dorset in terms of housing delivery.
- Identify brownfield sites for potential development on the Council's brownfield land register. Furthermore, the Council will promote and support people who wish to build their own home by maintaining a self-build and custom housebuilding register.

Supporting the Delivery of Housing

The Council fully understands that it has a key role in housing delivery, including supporting the market to deliver, by making land available for development at a range of locations and scales. The Council will:

- As set out in its Corporate Plan (Dorset Council's Plan 2020 – 2024), maximise the use of Council assets to develop affordable and sustainable housing, including the creation of more social rented housing. The Council is working with Homes England regarding bringing forward proposals on its own land and housing delivery more generally.
- Deliver its Building Better Lives programme. The programme involves working with developers and health organisations to provide new housing and services, many of which will be affordable homes for local people, key workers employed in the health and social care sector and adults who require various degrees of support. The programme has a projected investment from developers of up to £135 million.
- Work closely with developers to try and resolve any issues that prevent development starting on a site.
- Encourage SME builders to become more active in developing smaller and medium sized sites. This will continue to be done, in part, by trying to ensure there are suitable sites allocated in plans for them to develop out. As previously referred to neighbourhood plans provide an ideal opportunity for the allocation of such sites.
- Work closely with housing associations and registered providers on progressing plans for new housing schemes. The amount of affordable housing being delivered across the Council area is increasing. Last year around 290 new affordable homes were developed, and the figure is expected to increase to over 400 this year.
- Support community land trusts to deliver new housing. The Council employs an officer who specialises in getting community groups engaged in delivering housing and was awarded £2 million by the Government to fund community led housing projects.
- Explore potential opportunities to develop a new settlement in the Dorset Council area to help meet the longer-term growth needs of the area.

Working with Government

The Council recognises that it cannot act alone to improve housing delivery in the area and that a good relationship with Government, and other stakeholders, will be needed to help improve housing delivery locally. The Council will:

- Work with Homes England, and other Government bodies, on housing delivery matters including bringing forward large sites that have stalled. This is likely to include submitting applications for Government funding⁷.
- Monitor and bid for infrastructure funding as and when opportunities arise. The Council has previously been successful in receiving funding from the Government's Housing Infrastructure Fund (HIF) including in respect of infrastructure required to bring forward housing on the Gillingham SSA⁸.
- Use Garden Community capacity funding from Government to fully evaluate all the options for the North Dorchester development proposal. The funding has been used to appoint consultants HYAS to work with the Council in formulating specific policy guidance and master planning to help guide the delivery of any future development, with specific consideration being given to the formulation of an aspirational vision, development objectives and qualities of place.

⁷ Following a bid to the Brownfield Land Release Fund the Council has recently been awarded £2.13 million grant funding by the Government. The funding will be used to enable work to progress to help build almost 200 homes on key brownfield sites across the Dorset Council area.

⁸ The Council has been granted £6.31 million of HIF funding towards the provision of infrastructure required to bring the SSA forward for development.

Monitoring and Performance

The success of this Action Plan will ultimately be assessed in terms of the impacts that occur in respect of housing delivery.

Throughout the year the 'Key Actions & Responses' will be considered by the Council's Portfolio Holder for Planning and senior officers within the Council including the Head of Planning. The Portfolio Holder for Planning and senior officers will consider actions to address underperformance.

A full review of the Action Plan will occur annually to consider additional actions or necessary amendments.