

Notice of Motion on government housing targets

Officer background note

Introduction

This note has been prepared to provide background information in relation to the notice of motion about the national housing figures for Dorset and the request to write to Government requesting that more up to date household figures are used to determine them.

National policy on housing numbers

National planning policy says that to determine the minimum number of homes needed, strategic policies (in local plans) should be informed by a local housing need assessment, conducted using the standard method in national planning guidance, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

The national standard method has two elements: the forecasts of the numbers of new households, provided by the Office for National Statistics and updated every two years, and the ratio of house prices to earnings, calculated annually. The figures resulting from the standard method will therefore change regularly during plan preparation.

When the standard method was first introduced, the relevant household projections were those based on 2014 data. Later forecasts resulted in lower figures across much of the country, and as a result, the Government amended the methodology, requiring the 2014-based figures still to be used, in order to continue to contribute towards the national target of 300,000 homes a year.

Implications for Dorset

The most recent (2018-based) household projections make very little difference to the Dorset Council housing need figures, compared with those derived from the 2014-based projections. There is however a very significant difference to the figures for the neighbouring Bournemouth, Christchurch and Poole Council.

	Dorset Council	BCP Council
Annual housing requirement using 2014-based projections	1,784	2,701
Annual housing requirement using 2018-based projections	1,803	1,011

We need to take any unmet need from BCP (and other neighbouring councils) into account when establishing the amount of housing to be planned for. While we do not have to meet it all (for example if doing so would cause too much harm to environmental constraints), we do need to give it serious consideration, so the scale of the BCP figures does put additional pressure on Dorset.

Implications for the Local Plan

It is important to be aware that the local plan must go through a public examination process and will be assessed by an independent inspector for its soundness. This will include making sure that it follows whatever national policy is in place at the time.

Should national policy on this matter change, then the local plan would be able to follow that revised approach. If it does not, however, we need to make sure that our plan is in accordance with the national policy, or we risk having the plan found unsound and failing the examination.

Challenging the national policy approach is therefore something better done separately from the local plan process, by lobbying government directly, rather than through the local plan preparation.

We will continue to work closely with BCP Council on the preparation of our local plans, including considerations of housing numbers, under the statutory duty to cooperate.

In the longer term (most likely to be taken into account in the next local plan after this one) the proposed national planning reforms include setting binding national targets for each council area, that would take account of constraints as well as housing need/demand. There is likely to be further consultation on these proposals and the council will be able to respond at that point.