



Home in on Housing Programme – Phase 1 project

Version control:

Version	Date	Changes	Circulated to	Produced by
V0.1	04.09.25	Amendments made based on recommendations	Sarah Smith	Paul Derrien
V.02	29.10.25		Sharon Attwater & Sarah Smith	Paul Derrien

Subject of Report	Affordable Housing Targets/ Registered Provider Performance
Purpose of Report	Information / Recommendations / Decision Making
Background Papers	Housing Strategy - Housing Strategy January 2024 to January 2029 - Dorset Council

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Affordable Housing Targets – Dorset Council

Summary

Project Purpose

This preliminary summary report explores and provides an analysis; status report regarding affordable housing targets to aid the delivery of new affordable housing. This project is incorporated within phase 1 of the 'Home in on Housing' (HIOH) programme, and the delivery plan related to Dorset Councils' Housing Strategy January 2024 – January 2029¹.

Aim

To understand how the Housing Enabling and Delivery Team reached a target figure and how it ties in with the RPs targets.

Objectives

The project objectives are:

- To establish a baseline of information and data.
- To understand the basis for the current target figure.
- To identify how the current target figure has been calculated.
- To explore the methodology behind the current target figure.
- To understand target tenure and location options, target use and development.

Current Target

Annual Target: 450 affordable homes

Affordable Housing Completions by Year

Year	Rented	Intermediate	Total Completions
2016/17	99	80	179
2017/18	120	34	154
2018/19	93	80	173
2019/20	156	118	274
2020/21	191	110	301
2021/22	355	174	529
2022/23	358	306	664
2023/24	365	148	513
2024/25	241	203	444

National Planning Policy Framework (NPPF) Housing Targets

2018 Target: 1,793 homes

¹ [Housing Strategy January 2024 to January 2029 - Dorset Council](#)

2024 Target: 3,219 homes

Total Housing Completions (Open Market + Affordable)

Year	Total Completions
2021/22	1945
2022/23	1771
2023/24	1483

General Comments on 2024/25 Delivery

The current target is 450 homes per year. This year 444 affordable homes were delivered. The main reason for the lower number of completions are delays that were caused by nutrient neutrality. This issue is slowly being resolved. There have also been delays on some open market sites slowing down and a particular issue with one contractor.

The targets for new housebuilding, which are set by Government, have increased significantly for Dorset Council. The new target is 3,219 per year. Suitable sites are being identified as part of the local plan process. The higher targets will mean that the Council will not have a five-year land supply after November 2025 which may lead to an increase in speculative planning applications. This will lead to an increase in the numbers of homes being delivered. The new target is over twice the number of homes that was built in 2023/24 and more than has ever been delivered in a single year. Over the three years from 2021 to 2023 the percentage of all homes that was delivered that were affordable was in the range of 27% to 35%. If 3,219 homes were delivered a year and 30% of these were affordable then 965 affordable homes will be delivered. This does indicate the number of affordable homes being delivered will increase but this is likely to be incremental and take several years.

Tenure Split

New affordable homes are made up of different tenures. These are generally two rented products, social and affordable rented, and three types of low-cost home ownership, shared ownership, first homes and discounted market homes.

Over the last few years there have mainly been affordable rent and shared ownership homes delivered. Recently there has been an increase in the number of social rented homes and this may continue. There has also been the introduction of First Homes, but it is not clear how many of these will be built in the future due to changes in planning legislations.

To create a better picture of affordable housing delivery the completions could be reported by tenure split. The reporting software will need to be checked to make sure this is possible. The type of housing delivered will be affected by Government and policy so a target for each tenure would not be appropriate.

Location of Homes

The target is not split according to any geographic areas. To have targets for individual areas would be difficult to manage and could lead to opportunities in some areas not being pursued. The Enabling and Delivery Team work across the whole of the Dorset Council area.

Understanding the Target

Purpose: Internally set to motivate the Housing Enabling and Delivery Team and to indicate potential delivery.

Basis: Past performance, sector assessment, and future delivery predictions.

Dependencies: Delivery relies on Registered Providers (RPs) and developers.

External Factors: Nutrient Neutrality, Housing Market, Planning Policies, Government funding.

Use of the Target

Used internally and reported in performance reports to councillors and council meetings.

Not intended to reflect or meet total housing need in the Dorset Council area.

Target Development

Targets, and the number of affordable homes delivered, have increased over time, especially with the Homes England Strategic Partnership.

Based on historic performance and forecasted delivery levels.

Target Scope

Applies to the entire Dorset Council area.

Not broken down by location, tenure, or type. A breakdown by tenure with a split of affordable and social rent can be included.

Includes acquisitions (e.g., RSAP/SHAP), not just new builds – if we start leasing homes will these be included?

Does not account for losses due to disposals or redevelopment.

Review Cycle

Targets are typically reviewed every two years.

A review is currently timely due to delivery uncertainty and evolving targets.

Need-Based Targeting

Targets based on housing need would be unrealistically high.

Could negatively impact staff morale and public perception.

Recommendations

- Target to be kept at 450 for 2025/26 and increase to 500 for 2026/2027.
- The target should be for all tenures but broken into different tenures for reporting and information purposes.
- This takes account of the fact that several sites have been delayed due to nutrient neutrality issues and will only start delivering in 2026/27.

- The new affordable housing programme will come into effect in April 2026. There has been significant funding allocated to this programme. Though the detail is not expected until the Winter there is commitment to deliver 180,000 new social rent homes in the next ten years as set out in the [Decade of Renewal Report](#). This will increase the number of homes delivered by RPs. The RPs who develop homes in Dorset also build these in other areas. They will set targets for their programme but not for individual areas.
- The Dorset Council Local Plan will also set new, increased targets for housing development. This will come into effect in 2027, but it will take some time to increase the delivery rates. From October this year the Council will not have a five-year land supply which is likely to lead to an increase of planning permission.
- Delivery of affordable homes should increase of the next few years, but it is difficult to predict as there are continued challenges with housing developments. It is proposed to increase the target by 50 homes per year for the next 5 years, these targets should be reviewed every two years.
- Proposed Targets:

2025 / 26	500
2026 / 27	550
2027 / 28	600
2028 / 29	650
2029 / 30	700