

No. 9

Local Housing Target

(January 2011)



Core Strategy Background Paper No. 9

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Introduction

- 1.1 The District- wide housing target promoted through the Core Strategy reflects the scale of housing growth previously established in the Regional Spatial Strategy. (i.e. 440 dwellings per annum between 2010 and 2026.)
- 1.2 Although the Governments' Decentralisation and Localism Bill includes firm proposals to revoke Regional Spatial Strategies, the provisions of the Bill have not yet been enacted. In the interim, the Government has reiterated its desire for Local Authorities to continue to progress development plans, particularly Core Strategies, and the Council is anxious that the Selby District Core Strategy is adopted within the shortest possible timescale in order to provide a sound basis for the planning of the District.
- 1.3 Although the proposed revocation of Regional Spatial Strategies is intended to enable Local Authorities to establish their own housing targets, in practice, any amendment to the target requirement at this late stage of preparing the Core Strategy could result in considerable delay in adopting the Strategy. The Government has also indicated that RSS targets should not be automatically abandoned where they remain acceptable to authorities.
- 1.4 The extent of any delay would depend upon the rate of progress of the Bill and the establishment of an appropriate mechanism for producing robust alternative targets. And this exercise should ideally be undertaken within a broader sub-regional context particularly since Selby has strong socio-economic links with larger authorities, towns and cities around its periphery. It is unlikely that the authority would be able to produce a robust alternative housing target unilaterally, without consulting neighbouring authorities.
- 1.5 A key question for the Council, therefore, is whether there is sufficient evidence to demonstrate that the current target is unfit for purpose and if so whether amending the target would justify delaying the progress of the Core Strategy.
- 1.6 In reviewing the housing target the Council considered the following scenarios.

The Case for Increasing the Housing Target

- 2.1 There are two pieces of evidence which suggest that an increased level of housing growth may be appropriate, namely:
 1. the most recent nationally produced household projections and
 2. evidence from the Strategic Housing Market Assessment (SHMA) on affordable housing need within the District.

Household Projections

- 2.2 The latest nationally produced household projections were published by the Department for Communities and Local Government in March 2009. They are based on Office of National Statistics mid-year population estimates for 2006.

- 2.3 The projections indicate the likely increase in households in the light of recent (2006) demographic trends, from 2011 to 2026 within Selby District will be of the order of 8,000 households (an average of 530pa). However, the DCLG note that these projections are not based on an assessment of housing need. Neither do they take account of potential policy interventions, and they have not been subject to Public Examination.

Strategic Housing Market Assessment (SHMA)

- 2.4 The Strategic Housing Market Assessment for Selby District demonstrates an annual need for affordable housing of 409 dpa over the next five years. Given that the majority of affordable housing is likely to be provided in association with market housing this level of need could only be satisfied by significantly increasing house-building rates generally. This issue is common to many rural areas. However, it is considered that significantly increasing market house building in order to provide a relatively smaller proportion of affordable dwellings is not an appropriate solution in rural areas such as Selby District as it would contradict a number of sustainability and environmental objectives.

The Case for Reducing the Housing Target

- 3.1 This hinges on whether the housing target is realistic in the light of current market circumstances and whether existing settlements have the capacity to absorb the scale of growth proposed.
- 3.2 While current house-building rates are significantly below the proposed annual target of 440 dpa this must be balanced with the fact that prior to the recession house-building rates at approximately twice the target rate were being achieved. There is also evidence of an increased number of starts and an expectation that the market will recover well before the planned 2026 end date of the Strategy.
- 3.3 Recent work undertaken in preparing the Core Strategy, such as the Strategic Flood Risk Assessment and highways assessments, has also demonstrated that a target of 440 dwellings per annum can be accommodated in line with the Councils preferred spatial distribution, without compromising sustainability and environmental objectives

The Case for Maintaining the RSS Requirement

- 4.1 The 440 dwellings per annum RSS target has been established through a democratic process in consultation with adjoining local authorities and the house-building industry. It has the advantage of having been tested at the RSS Examination in Public.
- 4.2 In addition it reflects a strategy based on concentrating growth and regeneration in Regional and sub-regional towns and cities, and reducing unsustainable levels of commuting, which is consistent with one of the overriding objectives of the Core Strategy.
- 4.3 The target has also been consulted on at three previous stages during preparation the Core Strategy and a degree of consensus has been achieved on both the scale of development and the spatial distribution.

Conclusion

- 5.1 Having examined the case for introducing a higher or lower housing target the Council remains of the view that the target established through RSS remains appropriate for local circumstances up to 2026.
- 5.2 For example it is considered that there is no basis for reducing the target on grounds of insufficient demand or capacity of existing settlements to absorb additional growth. While more recent projections and surveys suggest housing need is increasing these have not been adequately tested, and do not reflect potential policy interventions.
- 5.3 Conversely while it is recognised that recent forecasts of potential household formation indicate a higher rate of growth generally than that used as a basis for the RSS figures these projections, which do not take account of potential policy interventions, cannot be used uncritically as indicators of housing need. Neither is it considered appropriate to artificially increase general market house-building in a rural area in order to deliver more affordable housing.
- 5.4 While current completion rates suggest that the 440dpa target is not being met it is considered appropriate to take a longer term view of market recovery up to 2026.
- 5.5 Moreover, in the absence of further national guidance on establishing future housing requirements, and given the continuing uncertainty regarding sub-regional structures for joint working with other local authorities, the Council considers there is insufficient justification to depart from the broad strategy and requirement hitherto used. This figure was established through the RSS, has been used throughout the Core Strategy preparation process and represents the soundest approach to the issue at the present time.