

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

**Core Strategy Background Paper**

**No 2**

**Affordable Housing**

\*\*\*\*\*

\*\*\*\*\*

## **1. Introduction**

1.1 The Core Strategy Development Plan Document is at the heart of the LDF. It is the overarching document, which sets out the vision for Selby District over the next 15 years including the broad approach and spatial strategy for the delivery of housing.

1.2 The affordability of housing is an important issue within the District and is one that the Core Strategy seeks to address. At the Issues and Options stage of the Core Strategy, the response to our consultation told us that: -

- There was support for the Council's aim to remove the backlog of affordable housing within the next 5 years although generally the timescale was considered to be unrealistic
- There was support for reducing thresholds where an element of affordable housing is required on market housing sites
- Small 'exceptions sites' exclusively for local needs housing should be identified in smaller settlements

1.3 This topic paper is intended to pull together information that has influenced the approach to affordable housing set out in the Core Strategy Preferred Options, policies CP5 And CP6

## **2. What is affordable housing?**

2.1 The definition of affordable housing is to be found in Planning Policy Statement 3 (PPS3) Annex B.

\*\*\*\*\*

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

*‘Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are met by the market. Affordable housing should:*

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices*
- Include provision for the home to remain at an affordable price for future eligible households, or if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision’*

2.2 New affordable housing is normally provided by a Registered Social Landlord (RSL) or Housing Association who are ‘not for profit’ organisations, registered with the Housing Corporation and which provide affordable housing to people in housing need. RSL’s are sometimes able to provide housing directly on sites they own or buy, but they are increasingly reliant on the provision through obligations placed on private developments by the planning system. In this case, to ensure the housing provided remains affordable in perpetuity, for local people, the Council will require the developer to enter into a planning obligation.

### **3. Policy Context**

#### **National Policy**

- 3.1 National policy on planning and affordable housing is found in PPS3 published in November 2006.
- 3.2 The guidance confirms the Government’s commitment to provide high quality housing for people who are unable to access or afford market housing and allows Council’s to negotiate for a proportion of affordable housing in new developments. The national indicative minimum size

\*\*\*\*\*

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

threshold is 15 dwellings but local planning authorities can set lower minimum thresholds where viable and practicable, including in rural areas.

- 3.3 A further element of national guidance relates to provision on rural exception sites. Local planning authorities should consider allocating and releasing sites solely for affordable housing. These exceptions sites would not otherwise be released for housing and are solely to meet an identified need for affordable housing in perpetuity. (see paragraph 8.4)
- 3.4 The Government's commitment to affordable housing has been further strengthened in the Green Paper 'Homes for the Future' published in July 2007.

**Regional Policy**

- 3.5 The Regional Spatial Strategy for Yorkshire and the Humber addresses the issue of affordable housing in policy H3. It acknowledges that the region needs to increase its provision of affordable housing and that LDF's should set targets for the amount of affordable housing to be provided. Provisional estimates of the proportion of new housing that may need to be affordable is 40% in high need areas, which include North Yorkshire.

**Local Policy**

- 3.6 The Selby District Local Plan Policy H4 (2005) sets out the requirement for the provision of a percentage of affordable housing on allocated residential sites of over 25 dwellings.
- 3.7 However in the light of up to date evidence of housing need and the emerging regional policy for North Yorkshire, in June 2005, the Council adopted an interim policy which seeks to negotiate a target of 40% of

\*\*\*\*\*

\*\*\*\*\*

homes on residential schemes (or mixed schemes with a residential element) of 15 dwellings or more or 0.5ha or more regardless of the number of dwellings, as local needs affordable housing. This policy is now encompassed in the Council's Supplementary Planning Document 'Developer Contributions' adopted in March 2007. (Paragraph 6.1)

3.8 Policy H11 of the Local Plan, sets out a rural 'exception site' policy. This allows small-scale affordable housing schemes as an exception to established policy if it meets an established local need. The site is required to be adjacent to the settlement development limit and it must be demonstrated that the proposed housing will be affordable by local people identified in a housing needs survey as being in housing need. The Rural Housing Trust is currently carrying out a programme of parish housing needs surveys on behalf of the Council, which it is anticipated will begin the process of identifying suitable locations for rural exception sites.

3.9 Selby District's Sustainable Community Strategy also cites affordable housing as being an important issue under the theme of 'Developing Sustainable Communities'. The aim is to:-

*'To support the work being carried out to make more affordable, decent and safe housing in the district'*

#### **4. Housing Need**

##### **Housing needs study 2005**

4.1 A housing needs study was undertaken in 2004 by Fordhams on behalf of the Council and its findings were published in April 2005. The main findings of the study were: -

- There is an overall shortage of 294 affordable housing units per annum in the district over the next 5 years

\*\*\*\*\*

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

- The largest shortages are for smaller 1 and 2 bed affordable units
- The overall requirement represents 47% of the projected building rate but could represent a much greater proportion after 2006

4.2 The survey was stratified to cover all parts of the district, covering 10 sub-areas. The net need for affordable housing analysed by sub-area is to be found in Table 1. The northern area indicates no need and the western area a small surplus. Otherwise the shortfall figures range from 13 per annum in Sherburn in Elmet to 58 per annum in the East sub-area.

4.3 As mentioned in paragraph 3.9 above the Council has commissioned the Rural Housing Trust to carry out a programme of 100% parish housing needs surveys, which will supplement the information, obtained from the district wide survey. The results of the first 2 surveys in Hensall and Appleton Roebuck will be available in January 2008, and Escrick, Ryther and Bolton Percy in March 2008.

4.4 The Council propose to commission a Strategic Housing Market Assessment as soon as possible.

**Council Housing Register**

4.5 The Council maintains the statutory housing register showing people in housing need. Analysis of the waiting list by sub-areas has been used to supplement the information from the housing needs survey to give a broad indication on housing need throughout the district. (See Background Paper No 3 Housing Distribution Options for further information on this approach)

\*\*\*\*\*

\*\*\*\*\*

**5. Provision of affordable housing**

**Completions and outstanding planning permissions**

5.1 Table 1 indicates the number of affordable housing completions between 2004 and 2007 and the number of outstanding planning permissions as at 31 March 2007. Analysis of the location of affordable housing provision indicates that the majority of unmet need lies in the east of the district.

\*\*\*\*\*

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

**TABLE 1**  
Housing need and numbers of affordable housing units (AHU's) provided by Sub-Area

Sub - Area	Numbers in housing need per annum (as defined in HNS05)	Parishes	Completions 2004-2005	Completions 2005-2006	Completions 2006-2007	Total completions	Outstanding planning permissions at 31 March 2007	Total(Completions and Outstanding Planning Permissions)
<b>Selby</b>	<b>52</b>		<b>0</b>	<b>94</b>	<b>102</b>	<b>196</b>	<b>59</b>	<b>255</b>
<b>Sherburn</b>	<b>13</b>		<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>77</b>	<b>83</b>
<b>Tadcaster</b>	<b>31</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>North</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>West</b>		Church Fenton	0	10	5	15	8	23
		Monk Fryston	5	0	0	5	0	5
		South Milford	0	0	27	27	3	30
<b>West (total)</b>	<b>-2</b>		<b>5</b>	<b>10</b>	<b>32</b>	<b>47</b>	<b>11</b>	<b>58</b>
<b>North East</b>		North Duffield	0	0	0	0	14	14
<b>North East (total)</b>	<b>61</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>14</b>
<b>East</b>		Barlby	0	8		8	0	8
<b>East (total)</b>	<b>58</b>		<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>Central</b>		Thorpe Willoughby	6	0	0	6	0	6
		Hambleton	0	0	0	0	18	
		Brayton	0	0	0	0	45	45
<b>Central (total)</b>	<b>17</b>		<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>63</b>	<b>69</b>
<b>South East (total)</b>	<b>33</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>South</b>		Eggborough	9	6	0	15	0	15
		Whitley	0	7	4	11	0	11
<b>South (total)</b>	<b>31</b>		<b>9</b>	<b>13</b>	<b>4</b>	<b>26</b>	<b>0</b>	<b>26</b>
<b>TOTAL</b>	<b>294</b>		<b>26</b>	<b>125</b>	<b>138</b>	<b>289</b>	<b>224</b>	<b>513</b>

\*\*\*\*\*



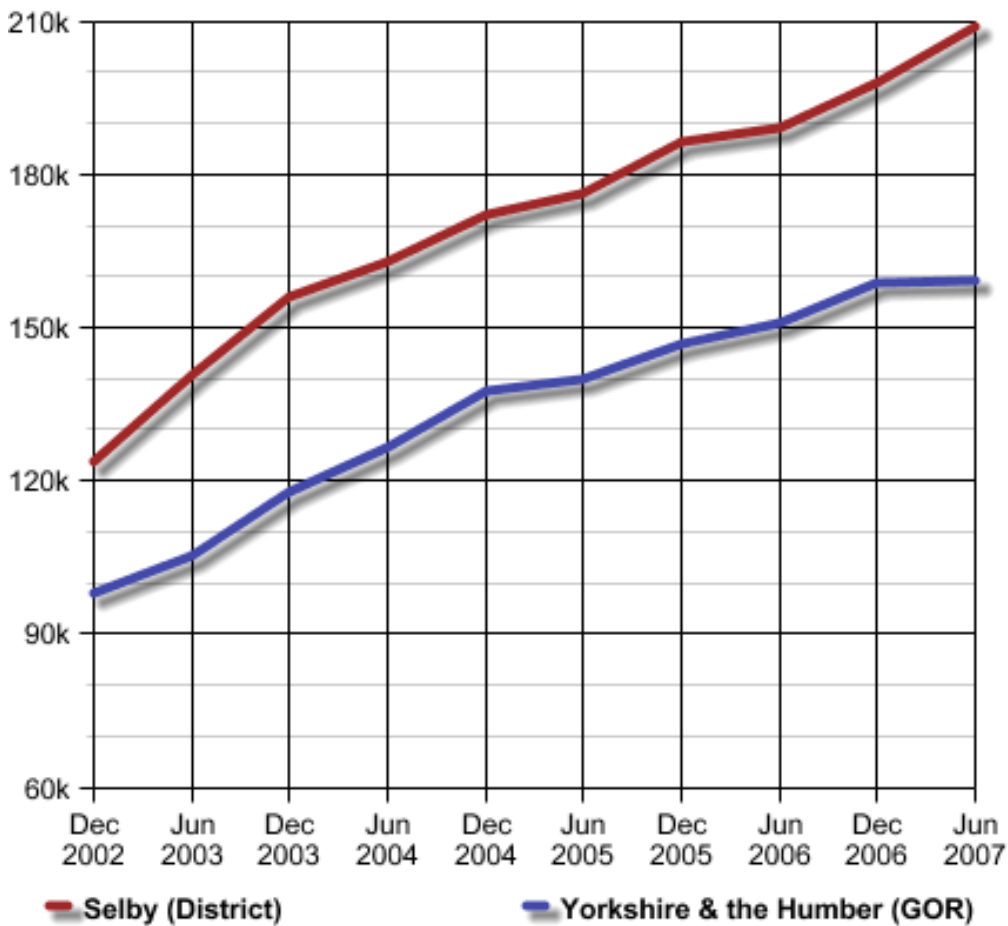
\*\*\*\*\*

## 6. Affordability

### Property Prices

6.1 The average property price for Selby District in June 2007 was £202,300.<sup>1</sup> This is a 54% increase from 2003. The table below compares the average property price with the remainder of the Yorkshire and Humber region which indicates that in Selby, property prices are much higher than the regional average and are continuing to rise.

**Table 2 Average property prices <sup>1</sup>  
Yorkshire and Humber Region and Selby District**



© Hometrack

\*\*\*\*\*

**Income levels**

6.2 The affordability of housing is not only a question of price but also how this relates to income. The high cost of housing means that there is a greater probability of households not having sufficient income for them to afford to buy or rent a property at the current market price. The average annual gross pay<sup>2</sup> by place of residence in 2006 in Selby District was £26,969 and the median £20, 814. This compares with the 2003 figures of £22,205 and £17,442 respectively.

**Affordability ratios**

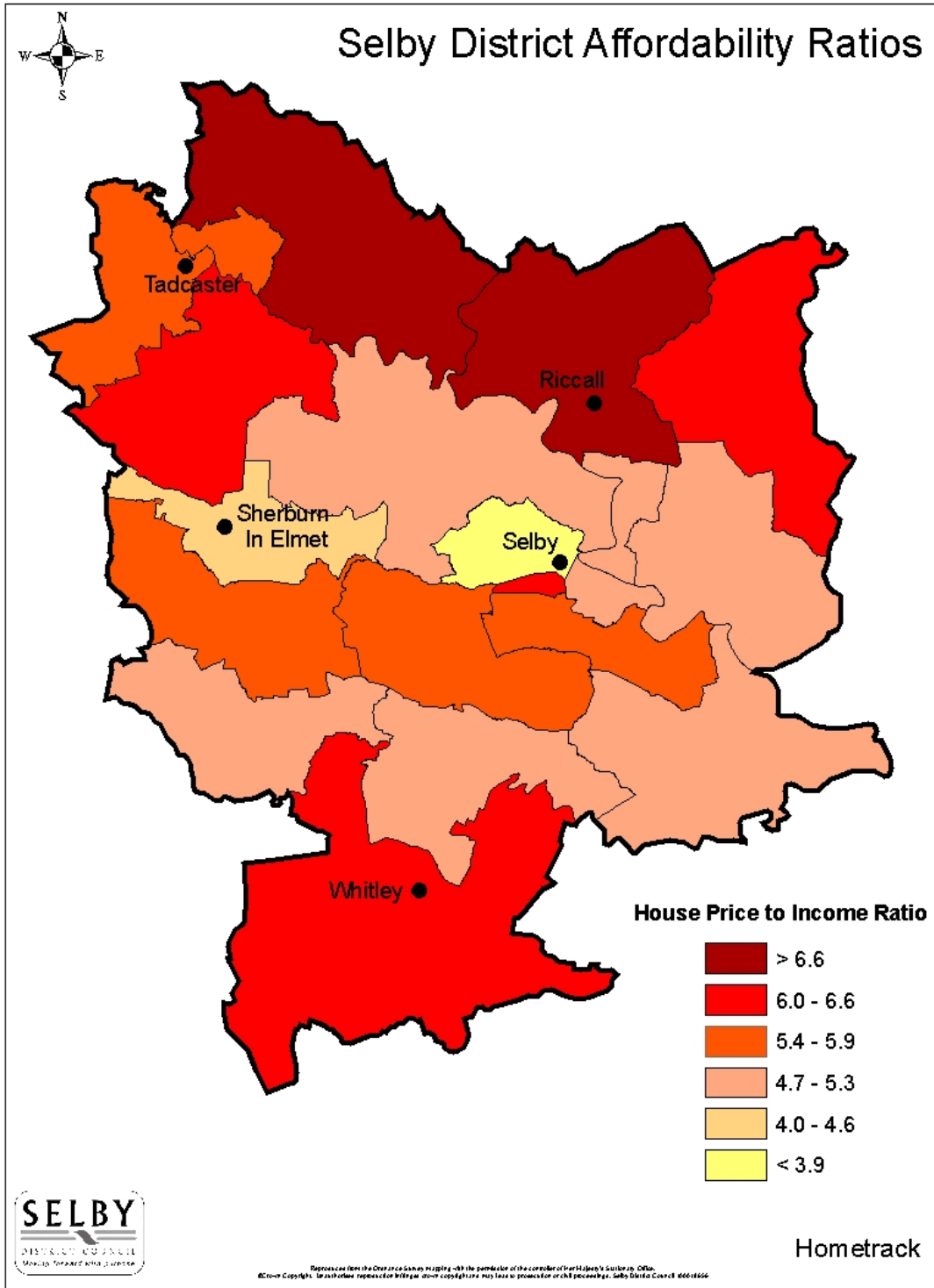
6.3 Analysing affordability ratios (house price to income) indicates that the average for Selby District is 5.1.<sup>1</sup> (This compares with a figure of 4.5 for the Yorkshire and Humber regions) This means that an individual would need a mortgage over 5 times the gross salary to buy an average priced property.

On a more local basis, the highest ratios are to be found in the north of the District (Appleton Roebuck and Riccall with Escrick wards) and the lowest in the Selby north ward. This is illustrated in the map on the following page.

Selby District Local Development Framework  
 Core Strategy Background Paper No 2  
 Affordable Housing

\*\*\*\*\*

**MAP 1**  
**Affordability Ratios Selby District <sup>1</sup>**



*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

## 7. Residential planning permissions

7.1 An analysis of planning permissions granted between 2004 and 2007 by site area was undertaken and the results can be found in Table 2.

**Table 2  
Housing completions by scheme size 2004 to 2007**

Completions on sites of 2 - 4 dwellings					
Area	2004-2005	2005-2006	2006-2007	Total	Total affordable housing units (based on 50% threshold)
Selby	5	12	1	18	9
Sherburn	2	0	0	2	1
Tadcaster	0	0	4	4	2
Rural area	47	54	80	181	90
<b>Total</b>	<b>54</b>	<b>66</b>	<b>85</b>	<b>205</b>	<b>102</b>
Completions on sites of 5 - 9 dwellings					
Area	2004-2005	2005-2006	2006-2007	Total	
Selby	13	5	9	27	13
Sherburn	8	7	0	15	7
Tadcaster	0	7	0	7	3
Rural area	28	19	42	89	45
<b>Total</b>	<b>49</b>	<b>38</b>	<b>51</b>	<b>138</b>	<b>69</b>
Completions on sites of 10 - 14 dwellings					
	2004-2005	2005-2006	2006-2007	Total	
Selby	32	0	0	32	16
Sherburn	0	0	26	26	13
Tadcaster	0	0	0	0	0
Rural area	29	56	34	119	59
<b>Total</b>	<b>61</b>	<b>56</b>	<b>60</b>	<b>177</b>	<b>88</b>

7.2 It can be seen that a significant number of sites have been developed well below the current threshold of 0.5ha. This has resulted in a large number of opportunities for the delivery of affordable housing being lost. If the threshold in Selby had been 10 (as in now proposed) an additional 16 affordable housing units would have been provided.

\*\*\*\*\*

Outside Selby however, if the threshold had been 2, (as in now proposed), an additional 259 affordable housing units would have been provided.

**8. Targets and thresholds**

8.1 As previously noted, the scale of affordable housing that is needed in Selby district is considerable. It is an important local concern reflected in previous consultations, the Community Strategy, and the fact that it is a key Council priority. The RSS also requires a target of over 40% of housing in North Yorkshire to be affordable. In this context and bearing in mind past performance, a strong and radical set of measures is necessary to achieve the level of affordable housing required.

**Targets and thresholds for Selby**

8.2 Whilst the numbers of affordable housing units provided or outstanding in Selby, more closely matches the housing need identified in the housing needs survey, it is considered that reducing the threshold to 10 dwellings(0.3ha) will assist in meeting a proportion of the overall housing need in the District, particularly in the northern and eastern areas where need is greatest. As the affordable housing need/requirement is greater than for market housing, a 50:50 split is considered necessary.

**Targets and thresholds for Tadcaster, Sherburn and the Service Villages**

8.3 Higher targets in these areas are essential if the required levels of affordable housing are to be achieved. The Council feels justified in taking every opportunity to increase the number of affordable homes delivered on sites that can provide more than one dwelling. In order to control development in line with Core Strategy objectives and at the same time maximise the contribution towards affordable housing provision, Policy CP5 requires applications for residential

*Selby District Local Development Framework  
Core Strategy Background Paper No 2  
Affordable Housing*

\*\*\*\*\*

development to be for a minimum of 2 dwellings (and/or 0.1ha) and for schemes to provide 50% affordable dwellings. The approach will be to consider what is economically viable on a site-by-site basis.

**Non designated villages Rural Exception sites**

8.4 The approach of allocating and bring forward rural exceptions site in policy CP6 will provide an essential alternative approach to help achieve the necessary change in the delivery of affordable housing. The rural exception site approach is however an exception to the normal policy approach and is intended for the sole purpose of delivering affordable housing. It is not an opportunity for house builders to develop cross-subsidy schemes and sites must be for 100% affordable housing to meet local needs. Proposals for affordable housing on exception sites should be well-related in scale, location and design to the settlement.

**9. Conclusions**

9.1 The information and analysis outlined in this background paper demonstrate that Core Strategy Policies CP5 and CP6, provide an appropriate and sound basis for securing affordable housing. The approach is consistent with national and regional policy and guidance. The policies are considered necessary to address the high need for affordable housing in the district, resulting from the huge increase in house prices in relation to local income levels.

**References**

- 1 Hometrack Housing Market Evaluation System
- 2 National Statistics ASHE 2003 and 2006