

Selby District Council  
**Scale of Housing Growth in Selby**  
Final Report

218606-00

Rev C | 30 November 2011

**Ove Arup & Partners Ltd**  
Admiral House  
Rose Wharf  
78 East Street  
Leeds  
LS9 8EE  
United Kingdom  
[www.arup.com](http://www.arup.com)

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 218606-00

**ARUP**



# Document Verification

# ARUP

<b>Job title</b>		Scale of Housing Growth in Selby		<b>Job number</b>	
				218606-00	
<b>Document title</b>		Final Report		<b>File reference</b>	
<b>Document ref</b>		218606-00			
<b>Revision</b>	<b>Date</b>	<b>Filename</b>	Selby Report ISSUE 181111.docx		
Issue	18 Nov 2011	<b>Description</b>	In place of this text, record a summary of revisions since the last version (these will be transferred into the DV sheet for you).		
			Prepared by	Checked by	Approved by
		Name	Fiona Boden, Tom Bridges	Tom Bridges, Nicole Harrison	Tom Bridges
		Signature			
Rev A	22 Nov 2011	<b>Filename</b>	Selby report 221111 correct version.docx		
		<b>Description</b>	With client comments		
			Prepared by	Checked by	Approved by
		Name	Fiona Boden, Tom Bridges	Tom Bridges, Nicole Harrison	Tom Bridges
		Signature			
Rev B	29 Nov 2011	<b>Filename</b>	Selby report 291111.docx		
		<b>Description</b>	With client comments		
			Prepared by	Checked by	Approved by
		Name	Fiona Boden, Tom Bridges	Tom Bridges, Nicole Harrison	Tom Bridges
		Signature			
Rev C	30 Nov 2011	<b>Filename</b>	Selby report 301111 ISSUE.docx		
		<b>Description</b>	In place of this text, record a summary of revisions since the last version (these will be transferred into the DV sheet for you).		
			Prepared by	Checked by	Approved by
		Name	Fiona Boden, Tom Bridges	Tom Bridges, Nicole Harrison	Tom Bridges
		Signature			

Issue Document Verification with Document





# Contents

---

	Page
<b>Scale of Housing Growth in Selby District – Summary of Main Conclusions</b>	<b>i</b>
<b>1 Introduction</b>	<b>1</b>
1.1 Objectives of the Paper	1
1.2 Evidence	1
1.3 Structure of the Paper	2
<b>2 Policy Context</b>	<b>3</b>
2.1 Introduction	3
2.2 Current Policy	3
2.3 Emerging Policy: Draft National Planning Policy Framework	8
2.4 Government Commitment to Housing Growth	9
2.5 Conclusions	10
<b>3 Recent Evidence on Population, Migration and Household Growth</b>	<b>11</b>
3.1 Introduction	11
3.2 Population Projections	11
3.3 Household Projections	13
3.4 Recession and Migration	17
3.5 Conclusions	18
<b>4 Cross-Boundary Issues</b>	<b>20</b>
4.1 Introduction	20
4.2 Growth Projections in Surrounding Authorities	20
4.3 Functional Relationships Between Selby and Neighbouring Authorities	23
4.4 Conclusions	25
<b>5 Recent Evidence on Deliverability of Housing Growth</b>	<b>27</b>
5.1 Introduction	27
5.2 Completions	27
5.3 House Prices	31
5.4 Housing Affordability	33
5.5 Identified Housing Land Availability	35
5.6 Conclusions	36
<b>6 Overall Analysis and Interpretation of the Most Appropriate Planned Scale of Future Household Growth in Selby</b>	<b>37</b>
6.1 Overview	37

6.2 Conclusions on Main Factors Influencing Housing Growth Requirements 37

# Scale of Housing Growth in Selby District – Summary of Main Conclusions

---

## Introduction

This report considers the evidence on the appropriate levels of population and housing growth that should be identified in the Selby Core Strategy. It assesses whether the housing growth requirements set out in the Regional Spatial Strategy (RSS) are still appropriate in light of the available evidence on population and household projections, housing markets, and the economy.

## Evidence

Table 1 sets out the main sources of evidence on projected household growth in Selby District. The table includes our assessment of the robustness of each source of evidence as a basis for identifying housing growth requirements. In doing so, it takes into account past, current and likely future economic, migration and housing market trends.

The CLG household projections reflect ONS population projections and projections on average household size. A major factor in the population projections are forecasts of future migration trends, which in turn are influenced by assumptions on the economy. Generally the CLG household projections reflect the trends over the five years previous to the base-year.

Other relevant evidence is provided by the Strategic Housing Market Assessments (SHMAs), information on housing land supply (including the Strategic Housing Land Availability Assessment), data on housing completions, and data on housing market trends.

## Conclusions

We conclude that the 2004 based CLG household projections provide the most robust and appropriate basis for identifying future housing growth requirements in Selby District. The 2004 based household projections are for 450 net additional dwellings per annum. This conclusion is based on the recent evidence on economic and migration trends and forecasts, the housing market, and housing completions.

We conclude that the most recent (2008-based) CLG household projections do not provide the most robust basis for identifying future housing growth requirements in Selby District. The 2008 based projections are for 550 net additional dwellings per annum. The trends over the five years preceding 2008 were of strong economic growth and substantial net international migration. More recent economic and migration trends have been very different and likely future trends are very different as a result of the recession and the forecasts of a slow recovery.

In reaching this conclusion we are mindful that PPS3 states that Local Planning Authorities should take into account the “*Government’s latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.*” Our view is that most recent economic forecasts (including from the Yorkshire and Humber Regional Econometric Model), which

indicate a slow recovery to pre-recession levels of employment and economic growth, mean there is a reasonable case for not using the 2008 based forecasts.

This view is supported by the fact that the North Yorkshire Strategic Housing Market Assessment produced recently (September 2011) sets out a scenario for Selby based on up-to-date economic forecasts of only 403 net additional dwellings per annum, even using 2008-based household projections.

Evidence on past housing completions provides further weight to the conclusion that the 2004 based household projections form the most appropriate basis for identifying future requirements. The average housing completion rate between 2003/4 and 2010/11 was 465 per annum, broadly in line with the 2004 based household projections of 450 net additional dwellings per annum. The 2008 based projections are for 550 net additional dwellings per annum, but annual completions only exceeded 500 the three years from 2005/6 to 2007/8 which were at the height of the housing market boom.

Evidence on cross-boundary trends is that there is likely to be under provision of housing against identified housing needs in some surrounding districts. However an important policy principle of the draft Core Strategy is to achieve a better housing-jobs alignment by increasing Selby's economic self containment, and reducing the already high levels of out commuting from the district. Therefore we conclude that it is appropriate for Selby to plan to meet its own housing requirements, but not those of other districts.

The recent evidence on house prices is that housing market trends in Selby district that are broadly in line with neighbouring authorities. There is some evidence that there is a stronger market for market housing at the lower levels of the market. However average house prices in Selby District are still falling. The evidence is that any housing market recovery is likely to be weak in the next few years. Depending on the most recent evidence on the deliverability of housing land, there may be a case for planning for a slightly lower level of housing growth in the first five years of the plan, with this compensated for by slightly higher levels of housing growth thereafter.

**Therefore, we conclude that an appropriate level of planned housing growth for Selby District is 450 net additional dwellings per annum for the plan period.**



**Table 1. Evidence sources on future household growth in Selby District, and assessment of their robustness**

Option	Annual net additional dwellings*	Assessment of Robustness
2003 based household projections	356	<ul style="list-style-type: none"> <li>• This projection was based on a time of lower economic growth and this lower figure was therefore produced against a backdrop of economic conditions potentially more in-line with those currently experienced compared to those in the years preceding 2008.</li> <li>• The relevance to recent market conditions is indicated by the fact that completions in 2008/09 and 2009/10 were below this figure, whilst in 2010/11 360 net additional dwellings were delivered.</li> <li>• As market conditions begin to improve the evidence is that this figure will be too low, as it is below the longer-term average for completions in the district.</li> <li>• The 2003 household projections were only produced at a regional level. Therefore a calculation based on the 2004 household projections has been carried out; this is based on applying the proportional increase in the regional figure between 2003 and 2004 to each district. For this reason we believe that it may be appropriate to express this figure as a range, such as 346-366 (plus or minus 10 homes per annum) to take account of this issue.</li> </ul>
North Yorkshire SHMA – Scenario 3	403	<ul style="list-style-type: none"> <li>• This projection is based on the use of 2008 population and household projections which have been modelled to take into consideration the impact of economic conditions and the most recent economic forecasts on future growth and change.</li> <li>• The relevance of this figure to market completions is evidenced by the level of completions in Selby between 2008 and 2010, which were below this figure, in each of the three monitoring years. Furthermore, the decrease in the number of completions since the start of the recession reflects the strength of the relationship between the economy and housing growth.</li> <li>• However, this figure is below the long term completion rate in the district of 465 net additional dwellings between 2003 and 2010.</li> </ul>
RSS	440	<ul style="list-style-type: none"> <li>• The RSS figure was based on the 2004 based household projections and additional modelling undertaken to inform the development of these figures. This additional modelling (using the Chelmer model) is discussed in section 2.2.2 of this report. Ultimately this modelling meant that a housing target was produced for 2008-2026, which in Selby's case was midway between lower Chelmer results and the 2004 based projection.</li> <li>• The RSS figure is below the long term average for completions in the district of 465 net additional dwellings per annum.</li> </ul>

Option	Annual net additional dwellings*	Assessment of Robustness
2004 based	450	<ul style="list-style-type: none"> <li>• This approach uses the 2004 based household projections and as such is largely consistent with the target for housing growth set out in the RSS.</li> <li>• This target would be above the average achieved in the district since the onset of the recession in 2008 (287 net additional dwellings on average between 2008 and 2010), although this would be below that of 465 net additional dwellings completed between 2003/04 and 2010.</li> <li>• The economic and migration trends in the five years previous to the base year of 2004 are more in line with those in the period previous to late 2011 compared to the 2008 or 2006 based projections.</li> <li>• Evidence on recent housing market trends and completions indicates that it could be challenging to deliver this level of completions in the short term, and therefore it would be appropriate to consider how this figure would be phased within the plan period.</li> </ul>
2006 based household projections	500	<ul style="list-style-type: none"> <li>• The 2006 based projections are based on a more buoyant economic climate than either the 2003 based or 2004 based household projections. This would explain the increase in the annual figure between the 2003, 2004 and 2006 figures.</li> <li>• A figure of 500 net additional dwellings in the short to medium term would appear to represent a significant increase on completion levels between 2008 and 2010, which provide an average of 287 net additional dwellings per annum. As this represents only 57% of the 500 homes a year figure and in light of the economic forecasts from the REM it would appear unlikely to meet this requirement in the short to medium term. Annual completions in excess of 500 were only achieved in the three years between 2005/6 and 2007/8, at the height of the housing market boom.</li> <li>• This figure is also above the long term average for completions in the district. Furthermore, between 2003 and 2010 this target was only reached (and exceeded in all instances) in three monitoring years), which may also raise questions in regards to its applicability.</li> </ul>
North Yorkshire SHMA – scenario 1	519	<ul style="list-style-type: none"> <li>• This scenario has been developed in the North Yorkshire SHMA using the 2008 based household and population projections for Selby. As they are based on the 2008 data they have been developed on the basis of strong economic performance, including high levels of public sector spending.</li> <li>• Analysis of the recent economic performance and economic forecasts indicates that this scale of growth during this period is unlikely to be achieved in the plan period. This is illustrated by the scale of growth projected to occur within authorities such as Leeds, which has driven employment growth in the City Region over the last decade.</li> <li>• A figure of 519 net additional dwellings is significantly greater than the long term average for the area of 365 net additional dwellings between 2003 and 2010. It is also significantly greater than the average between 2008 and 2010 when 287 net additional dwellings were completed. This would suggest that that in the short term this is not deliverable in the district as a result of market conditions.</li> </ul>

Option	Annual net additional dwellings*	Assessment of Robustness
2008 based household projections	550	<ul style="list-style-type: none"> <li>• The most recently published household projections would provide a higher housing growth target for Selby of 550 dwellings per annum when compared with the other housing projections that have been produced.</li> <li>• When compared to past completion rates of 465 net additional dwellings between 2003 and 2010 it is clear that this 2008 based figure of 550 net additional dwellings per annum would represent a significant step change in housing delivery for Selby District.</li> <li>• In the short term based on an analysis of recent completions and forecast economic growth from the REM it appears unlikely that it will be possible to deliver this level of housing growth in the district.</li> <li>• By providing a higher housing target more land will need to be allocated for residential development through the Local Plan. If this figure cannot be reached then this will potentially make it more difficult to focus development in the desired locations. This could have subsequent knock-on impacts for example in making it difficult to create the appropriate critical mass of development to make public transport services to new development viable. As such this may make it difficult for the council and stakeholders to realise their aspirations for the area.</li> </ul>
Selby SHMA	710	<ul style="list-style-type: none"> <li>• This figure is taken from the Selby SHMA (2009) and represents the gross annual requirement for market housing in the district. Furthermore, this document also set out a requirement for 409 affordable homes per annum during the plan period. This study therefore concluded that there was an overall requirement for 1,119 gross dwellings per annum in the district.</li> <li>• In establishing the requirement for affordable housing it seems appropriate to use gross figures; it would appear less appropriate in establishing the overall figure for housing growth in the district in this context. This is because other figures such as the RSS and household projections are based on net requirements. Therefore these figures should not be directly compared as they are providing/measuring different information.</li> <li>• A figure such as 710 net additional dwellings would represent a significant step change in housing delivery within the authority. Based on analysis of past completions this figure has only been met/exceeded in a single monitoring year between 2003 and 2010. Furthermore, this is also significantly above the long term average of 465 net additional dwellings per annum, achieved between 2003 and 2010.</li> <li>• Such a step change in housing delivery appears particularly unlikely to be achieved in the short term in light of average completions between 2008 and 2010 (287 net additional dwellings) and forecast economic growth.</li> <li>• This would require a significant increase in the amount of land allocated for housing growth. Based on the results of the SHLAA there is sufficient available land to deliver 22,318 homes by 2026 in the district and therefore there would appear to be sufficient land to meet this requirement (710 net additional dwellings over a 15 year plan period would create a requirement for 10,650 net additional dwellings over this period).</li> </ul>

# 1 Introduction

---

## 1.1 Objectives of the Paper

The role of this paper is to consider the levels of population and household growth that should form the basis of planned future housing provision in Selby District. The main questions are:

- Are RSS figures still appropriate for Selby? Is there sufficient sound robust evidence to defend the approach of relying on RSS figures?
- How has the recession and public sector cuts, or other factors, altered the outlook to 2026? What is the effect of the recession on the RSS estimates and on population and household projections?
- How is the population projected to change within the District and what is the impact that this will have on the need for the number of households?
- How will housing growth in surrounding authorities such as Leeds and York create needs and pressures on the housing market in Selby?
- What levels of growth should Selby be seeking to accommodate?
- Should growth be phased?
- What are the consequences of alternative housing provision for Selby District?

## 1.2 Evidence

The review is based on a number of sources, including:

- A review of the evidence base for the Yorkshire and Humber Plan;
- Office for National Statistics (ONS) population and Communities and Local Government (CLG) household projections including the components of these in terms of natural increase, domestic and international migration;
- Evidence on the effect of the recession on projections for population and household growth, including the Regional Econometric Model forecasts for future employment growth and change (almost all sources, including official sources, still predate the recession); and
- A review of the housing market in Selby as set out in the Selby Strategic Housing Market assessment (SHMA) and North Yorkshire SHMA;
- Data on trends in the housing market in terms of housing completions, house prices, affordability and housing capacity.

Given recent and current changes in national planning policy and the economy, the paper takes a fresh and evidence-based look at the issues for Selby as far as possible to assist Selby District Council (SDC) in progressing the Core Strategy. Specifically the report has been developed to address concerns of the Inspector during the Examination in Public regarding the level of housing growth in the District as set out in the Submission Draft Core Strategy. It is important to stress that, particularly in the context of uncertainty, there is no “right or wrong” answer to the question of appropriate levels of future growth. Professional judgements are needed based on the evidence.

### 1.3 Structure of the Paper

The report has been structured around the main considerations in establishing the appropriate level of housing growth for Selby District. An Executive Summary has been provided at the beginning of the report setting out the main conclusions of the work. Chapter 2 sets out the current policy context. Chapter 3 reviews the most recent evidence on household and population growth projections, and the relevant Strategic Housing Market Assessments. Chapter 4 examines cross boundary relationships, including information on the current scale of growth being planned for in surrounding districts. Chapter 5 considers the evidence on housing completions and house prices. Chapter 6 considers the implications of the evidence set out in the proceeding chapters and sets out different options on the level of growth to be delivered in the district.

## 2 Policy Context

---

### 2.1 Introduction

This section reviews current and emerging policy on establishing appropriate levels of housing growth. It reviews:

- Planning Policy Statement 3 (PPS3) Housing;
- The Regional Spatial Strategy, including the process by which housing targets were established;
- The draft National Planning Policy Framework (NPPF); and
- Planning for Growth.

### 2.2 Current Policy

#### 2.2.1 Planning Policy Statement 3 Housing (PPS3)

PPS 3, published in July 2010, sets out the Government's current housing policy. The Government's main housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this, the Government is seeking:

- To achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community;
- To widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need;
- Increasing the supply of housing; and
- To create sustainable, inclusive, mixed communities in all areas, both urban and rural.

PPS 3 suggests that the level of housing provision should be determined taking a strategic, evidence-based approach that takes into account relevant local, sub-regional, regional and national policies and strategies achieved through widespread collaboration with stakeholders.

It also says that in determining the local, sub-regional and regional level of housing provision, Local Planning Authorities should take into account evidence of current and future levels of need and demand for housing and affordability levels based upon:

- Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term house prices;
- The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts;
- Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments;

- The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply; and
- A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits and risks of development, including considering the most sustainable pattern of housing growth.

Having established requirements Local Planning Authorities should identify sufficient specific deliverable sites to deliver housing in the first five years. Local Planning Authorities should also identify a further supply of specific, developable sites for years 6 to 10 and, where possible, for years 11 to 15.

## 2.2.2 Regional Spatial Strategy (RSS)

### Context

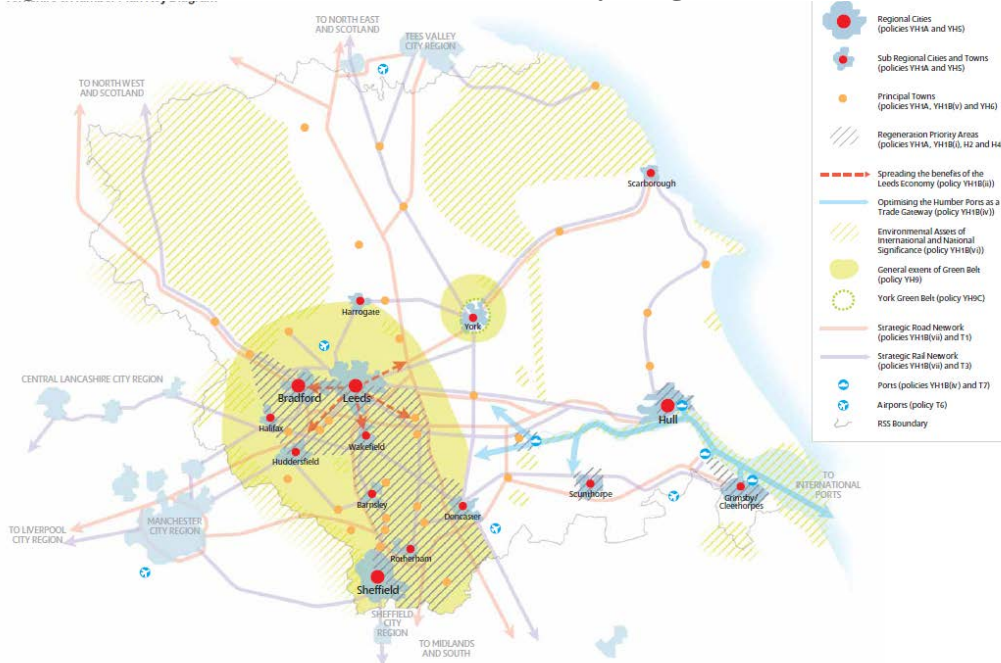
The Government will revoke Regional Spatial Strategies (RSSs), including the Yorkshire and Humber Plan published in May 2008, through the enactment of the Localism Bill. The RSS is considered here because the evidence base remains relevant to the consideration of future growth scenarios and because it informs policy in the draft Core Strategy. Furthermore, the RSS remains as part of the Development Plan.

### Settlement Strategy

The overall aim of the RSS as set out in Policy YH1 is to manage growth and change to achieve sustainable development. The first tier are the Regional Cities: Bradford, Hull, Leeds and Sheffield. The second tier is the 11 Sub Regional Cities and Towns, including York. Principal Towns are the third tier of the RSS settlement hierarchy. Selby Town is the only designated Principal Town in Selby District; one of 32 Principal Towns in the Yorkshire and Humber Region. Principal Towns are the third tier of the RSS settlement hierarchy. Policy YH5 states that Principal Towns should be the main local focus for employment, shopping, leisure, health, education and cultural facilities.

The RSS also sets out policies on Local Service Centres (YH6). Tadcaster and Sherburn in Elmet are defined as the two Local Service Centres in the Selby District Core Strategy. The RSS policy YH6 seeks to maintain and enhance the character of Local Service Centres and their roles, viability and diversification as economic and service hubs. This includes retaining and improving local services and facilities and meeting locally generated needs for market and affordable housing (as opposed to housing growth being dispersed across smaller settlements).

**Figure 2.1: Yorkshire and Humber Plan, Key Diagram**



Source: Government Office for Yorkshire and Humber (2008) *The Yorkshire and Humber Plan*

## Housing Growth

Policy H1 of the RSS is to achieve an appropriate level and distribution of housing growth. This took into account strong economic growth within the Leeds Sub Region (which includes Selby). The housing growth requirements are set out in Table 2.1. For Selby the requirement was to provide 390 net additional dwellings in the period to 2008, and 440 net additional dwellings per annum thereafter.



**Table 2.1: RSS Annual average net additions to the dwelling stock 2004 – 2026. Source: Yorkshire and Humber Plan, 2008.**

Local Authority	2004 – 8	2008 – 2026
East Riding	1150	1150
Kingston upon Hull	280	880
North East Lincs	310	510
North Lincs	550	750
<b>Humber</b>	<b>2290</b>	<b>3290</b>
Craven	250	250
Hambleton	320	280
Harrogate	390	390
Richmondshire	200	200
Ryedale	230	200
Scarborough	430	560
<i>Selby</i>	<i>390</i>	<i>440</i>
York	640	850
<b>North Yorkshire</b>	<b>2850</b>	<b>3170</b>
Barnsley	840	1015
Doncaster	855	1230
Rotherham	750	1160
Sheffield	1025	1425
<b>South Yorkshire</b>	<b>3470</b>	<b>4830</b>
Bradford	1560	2700
Calderdale	500	670
Kirklees	1060	1700
Leeds	2260	4300
Wakefield	1170	1600
<b>West Yorkshire</b>	<b>6550</b>	<b>10970</b>
<b>Yorkshire and Humber</b>	<b>15,160</b>	<b>22,260</b>

Source: Government Office for Yorkshire and Humber (2008) *The Yorkshire and Humber Plan*

These housing requirements reflected a range of evidence and debate around the scale and distribution within the region and the outturn of the Public Examination which took place in 2006. The sources of evidence and the analysis that followed it included:

- CLG 2004-based household projections (Government's estimates of the number of additional household by region and local authority); and
- Modelling to consider relationships with the economy through the use of a regional econometric forecasting model and other models.

The main issues in identifying the housing growth requirements were:

- Analysis in support of the draft plan up to the submission for examination was the 1996-based CLG household projections;
- Following the examination the Panel Chair recommended increases in housing requirements to take into account more recent household projections; and

- After the examination, 2004-based projections became available, indicating a higher level of household growth than suggested by the Panel Chair.

The Government Office for Yorkshire and Humber commissioned consultants to consider the implications of the 2004-based projections<sup>1</sup>. This was done using the original Chelmer distribution model. The results are shown in Table 2.2 for the period 2001 - 2021.

**Table 2.2: 2004-Based Housing Distribution Run Results for the period 2001 – 2021 Annual averages**

Yorkshire and Humber	Run of 2004 based hhd projections	RSS Original Chelmer Run	Difference
	Annual Net Change	Annual Net Change	
<b>South Yorkshire</b>			
Barnsley	1,147	887	261
Doncaster	1,108	724	384
Rotherham	950	588	362
Sheffield	2,356	1,269	1,087
<b>West Yorkshire</b>			
Bradford	2,852	2,080	772
Calderdale	801	413	388
Kirklees	2,099	1,266	833
Leeds	4,178	2,255	1,923
Wakefield	1,958	1,227	731
<b>North Yorkshire</b>			
Craven	241	171	70
Hambleton	350	223	126
Harrogate	920	520	400
Richmondshire	325	164	161
Ryedale	172	102	70
Scarborough	445	272	173
Selby	488	385	103
York	1,134	676	458
<b>Humber</b>			
East Riding	2,127	1,528	599
Kingston-upon-Hull	645	146	499
North East Lincolnshire	364	206	158
North Lincolnshire	642	360	281
<b>Total</b>	<b>25,300</b>	<b>15,462</b>	<b>9,837</b>

Source: Options for Revised Housing Figures in the Draft Yorkshire and Humber RSS, Government Office for Yorkshire and Humber, June 2007, NLP

The results in Table 2.2 suggest a requirement for higher provision than the Yorkshire and Humber Plan, particularly in the period to 2008. Model results summarised in Table 2.2 also suggested that additional requirements were concentrated in particular locations including York, Harrogate and the East Riding. Whilst the final RSS did not seek to meet these projections in full, the

<sup>1</sup> Options for Revised Housing Figures in the Draft Yorkshire and Humber RSS, Government Office for Yorkshire and Humber, June 2007, NLP

overall housing requirements were increased, including in Selby District. A full breakdown and comparison of these different housing projections, including the figure set out in the RSS, is set out in Table 1.

One of the main policy principles of the RSS was to focus housing growth in the main urban areas. For example, in Bradford where the final allocation exceeds the expected household growth predicted by the modelling work. It should be noted that this approach to spatial distribution was developed initially on the basis of lower housing growth requirements than those in the final version of the RSS. The approach was also developed in the context of rapid economic growth, substantial public spending on housing and regeneration, and significant housing development (particularly of apartments) in inner urban areas. The context has changed significantly in the past 2-3 years.

### 2.3 Emerging Policy: Draft National Planning Policy Framework

Consultation on the Draft National Planning Policy Framework (NPPF) closed on the 17<sup>th</sup> October 2011. It is estimated that the final NPPF will be published by April 2012 at the latest. This will replace current national policy as set out in the Planning Policy Statements (PPSs) and Planning Policy Guidance (PPG).

The Draft NPPF places an emphasis on sustainable development and that within the Local Plan:

*“Objectively assessed development needs should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”*

The Framework requires Local Plans to plan positively for the development and infrastructure requirements in the area to meet objectives, principles and policies within the Framework. The Government’s objectives for housing are clearly set out in the Framework and focus on significantly increasing the delivery of new homes. This can be achieved by:

- *“increasing the supply of housing;*
- *delivering a wide choice of high quality homes that people want and need;*
- *widening opportunities for home ownership; and*
- *creating sustainable, inclusive and mixed communities, including through the regeneration and renewal of areas of poor housing.”*

Paragraph 28 specifically relates to the housing requirements for the evidence base for the Local Plan. This requires local planning authorities (LPAs) to undertake a Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA) in order to have a clear understanding of housing requirements. The Framework requires LPAs to work with neighbouring authorities where housing markets cross borders in the production of the SHMA. As part of this LPAs should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:

- *“meets household and population projections, taking account of migration and demographic change;*

- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand.”*

The Framework states the need to meet household and population projections but (unlike PPS3) does not specify that these must be those produced most recently. The NPPF emphasises the need for LPAs to establish realistic assumptions about the availability, suitability and the likely economic viability of housing land to meet the identified requirement for housing over the plan period. The NPPF specifies that LPAs identify 20% headroom in the 5-year land supply (the equivalent to requiring 6 years of land supply). It should be stressed, that this requirement for 20% headroom, relates to land supply *per se*, and does not require the overall housing numbers to increase.

Four tests of Soundness for Local Plans are set out within the Draft NPPF. These require Local Plans to be: *positively prepared, justified, effective and consistent with national policy*. This means that Plans need to represent the most appropriate development strategy to meet objectively assessed development needs and be deliverable over the plan period.

## 2.4 Government Commitment to Housing Growth

The commitment to housing growth is set out in the Government’s Planning for Growth document published in March 2011. This emphasised the need to promote labour market mobility by increasing the supply of housing by providing support to the housebuilding industry. Paragraph 1.27 set out how low levels of housing completions and limits on land supply can create barriers to mobility and place high costs on firms seeking to locate in the country. In this sense the document outlines the need to facilitate housing growth to enhance the country’s economic performance. Paragraph 2.8 states that:

*“The Government will make radical changes to the planning system to support job creation and growth. By creating a planning system, supported by powerful financial incentives, that makes the right land available in the right place for development, it will deliver commercial development, vital infrastructure and housing that the country needs.”*

The messages of this document, including these proposed changes to the planning system were reinforced in a letter from the Chief Planner to LPA Chief Planning Officers<sup>2</sup>. This stated that:

*“Local planning authorities should therefore press ahead without delay in preparing up-to-date development plans, and should use that opportunity to be proactive in driving and supporting the growth that this country needs. They should make every effort to identify and meet the housing, business and other development needs of their areas, and respond positively to wider opportunities for growth, taking full account of relevant economic signals such as land prices. Authorities should work together to ensure that needs and opportunities that*

<sup>2</sup> CLG, Letter to Chief Planning Officers, Planning for Growth, 31<sup>st</sup> March 2011

*extend beyond (or cannot be met within) their own boundaries are identified and accommodated in a sustainable way, such as housing market requirements that cover a number of areas, and the strategic infrastructure necessary to support growth.”*

## 2.5 Conclusions

The Government has made a clear commitment to deliver housing growth, as an identified mechanism of helping to promote economic growth, as well as meeting the changing needs of a growing population. The importance of housing growth is set out within recent published documents and specifically both the draft NPPF and ‘Planning for Growth’.

The Government’s intention to revoke RSS will mean that the LPAs are responsible for determining housing targets within their own areas. The RSS for Yorkshire and Humber provided a housing target of 440 net additional dwellings per annum to be completed in Selby district between 2008 and 2026. This target arose from additional work undertaken on behalf of the Government Office and was based on a combination of the use of the Chelmer distribution model (385 net additional dwellings per annum in the district) and the CLG 2004-based household projections (488 net additional dwellings per annum in the district). Both of these figures represent annual averages between 2001 to 2021 and this explains the difference in the 2004 based figures shown in table 1 (which represent the period between 2006 and 2026). The CLG projections and the Chelmer work represented modelling inputs to the RSS process; the outcome of which was a target of 440 net additional dwellings per annum between 2008 and 2026. Paragraph 12.5 in the RSS states in relation to the establishment of housing targets that:

*“The figures are not derived directly from one mathematical model or set of projections. Rather they are the result of the range of evidence and debate that has been considered through the process of preparing the Plan and latest evidence about household growth in the region”*

The draft NPPF makes clear the need for local authorities to objectively assess development needs and for these to be met within an area. This also places a requirement on LPAs to identify 20% headroom in the 5-year land supply (the equivalent to requiring 6 years of land supply). Whilst the Framework states the need to use household projections to identify a housing target, it does not specify that these should be the most recent projections.

This represents a departure in the draft NPPF from PPS3, which states that the most recent projections should be used. PPS 3 suggests that the level of housing provision should be determined taking a strategic, evidence-based approach that takes into account relevant local, sub-regional, regional and national policies and strategies achieved through widespread collaboration with stakeholders.

## 3 Recent Evidence on Population, Migration and Household Growth

---

### 3.1 Introduction

This chapter considers the evidence in relation to population and housing projections. It shows the variation that exist in relation to the forecast growth in the number of people and households in the future. The section reviews:

- The most recent, 2008-based, ONS population projections;
- ONS Midyear population estimates;
- CLG household projections, including a comparison of 2003, 2004, 2006 and 2008 based projections;
- The North Yorkshire and Selby District Strategic Housing Market Assessments; and
- The link between economic conditions and migration.

This range of evidence has been analysed to show the range of evidence that exists on how the population is projected to change in the future

### 3.2 Population Projections

The 2008-based population projections<sup>3</sup> suggest an increase of over 18,000 persons in the 20-year period 2011 to 2031 or just over 900 persons per annum in Selby District.

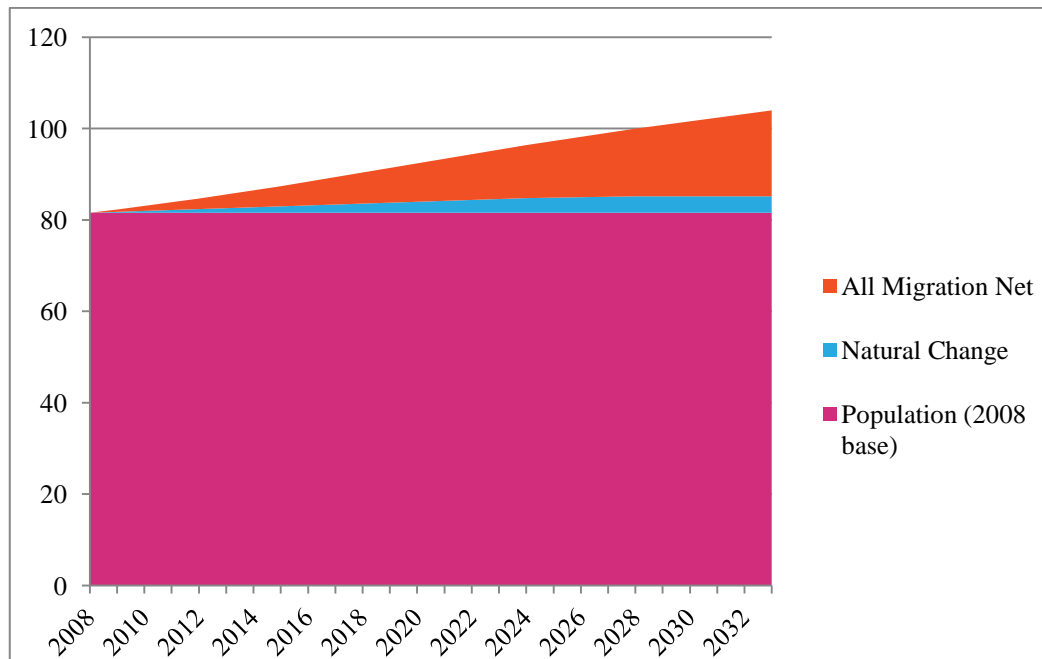
The projections are based on an assumption that the major component of growth will be migration, particularly international migration, as shown in Figure 3.1. The majority of migrants are typically of child bearing age and therefore it is assumed that the high levels of net in-migration forecast for the region will drive an increase in natural change that is not reflected fully in the historic trends.

The accession of additional countries into the EU, and increasing numbers of overseas students have been the main components of additional migration.

---

<sup>3</sup> Source: ONS (2010) sub national population projections

**Figure 3.1: Components of forecast population growth in Selby district, 2008-2033**

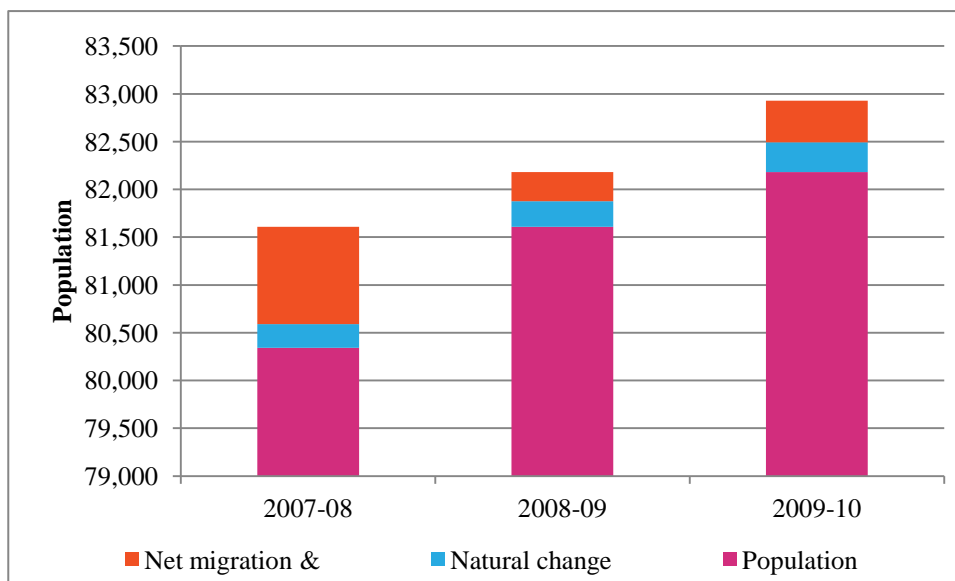


Source: ONS (2010) sub national population projections, Arup analysis

Analysis of the 2009/10 mid-year sub national population estimates indicates there has been a slowdown in migration since 2007/08 in Selby, with the figure halving, see figure 3.2. This is in contrast to data for the Yorkshire and Humber region as a whole which saw net migration continuing to increase between 2007 and 2010. Between 2008 and 2009 net migration into Selby was 305 people (in the previous year this numbered over 1,000).

This estimated population change contrasts significantly with the population projections, which for this year showed net migration of 500 people. Similarly, the 2009-10 projections overestimate the net migration by approximately a third (the projections show an increase of 1,100 people with the estimates showing 430 people). This would appear to undermine the population projections as growth has been overestimated. This also raises questions in regards to the ability of areas to achieve these levels of growth in later years if there are questions surrounding the accuracy of short term estimates.

**Figure 3.2: Components of population change in Selby District, 2007-08 to 2009-10, based on midyear population estimates**



Source: ONS (2011) Mid Year Population Estimates, Arup analysis

### 3.3 Household Projections

The CLG household projections are based on projecting forward trends observed over the previous 5 years. Household growth is a reflection of both population growth and household size. The household forecasts are based on the ONS population forecasts, and projected average household size. Over the past 15-20 years CLG projections have been generally revised upwards, reflecting actual observed trends which in turn reflected smaller households and economic growth.

Table 3.1 compares the latest available 2008-based household projections with the former RSS housing allocations for the period 2008 - 2026. These suggest an increase in household formation, relative to the 2004 projections and a requirement in excess of 27,000 dwellings per annum for the region as a whole.

For Selby District the 2008-based projections suggest that the requirement increases to 550 dwellings per annum. This figure also represents an increase on the 2006 based projections, which showed the requirement to be 500 dwellings per annum between 2006 and 2026, see table 3.2. Projected household growth is also well in excess of RSS provision for many of the districts surrounding Selby, including East Riding, Harrogate and Ryedale, as shown in table 3.1.



**Table 3.1: ONS/CLG 2008-based household projections and RSS net additional dwellings allocations**

Local Authority	2008	2026	Change 2008 - 2026	Annual average 2008-2026	Per annum RSS allocation 2008-2026	% of Projection target met by the RSS
East Riding of Yorkshire	144,000	183,000	39,000	2,167	1,150	53
Kingston upon Hull, City of	115,000	144,000	29,000	1,611	880	55
North East Lincolnshire	67,000	75,000	8,000	444	510	115
North Lincolnshire	68,000	83,000	15,000	833	750	90
York	84,000	107,000	23,000	1,278	850	67
Craven	24,000	30,000	6,000	333	250	75
Hambleton	37,000	42,000	5,000	278	280	101
Harrogate	67,000	82,000	15,000	833	390	47
Richmondshire	20,000	24,000	4,000	222	200	90
Ryedale	23,000	27,000	4,000	222	200	90
Scarborough	49,000	57,000	8,000	444	560	126
<b>Selby</b>	<b>33,000</b>	<b>43,000</b>	<b>10,000</b>	<b>556</b>	<b>440</b>	<b>79</b>
Barnsley	96,000	114,000	18,000	1,000	1,015	102
Doncaster	122,000	136,000	14,000	778	1,230	158
Rotherham	106,000	121,000	15,000	833	1,160	139
Sheffield	230,000	284,000	54,000	3,000	1,425	48
Bradford	192,000	243,000	51,000	2,833	2,700	95
Calderdale	86,000	105,000	19,000	1,056	670	63
Kirklees	167,000	200,000	33,000	1,833	1,700	93
Leeds	334,000	436,000	102,000	5,667	4,300	76
Wakefield	139,000	165,000	26,000	1,444	1,600	111

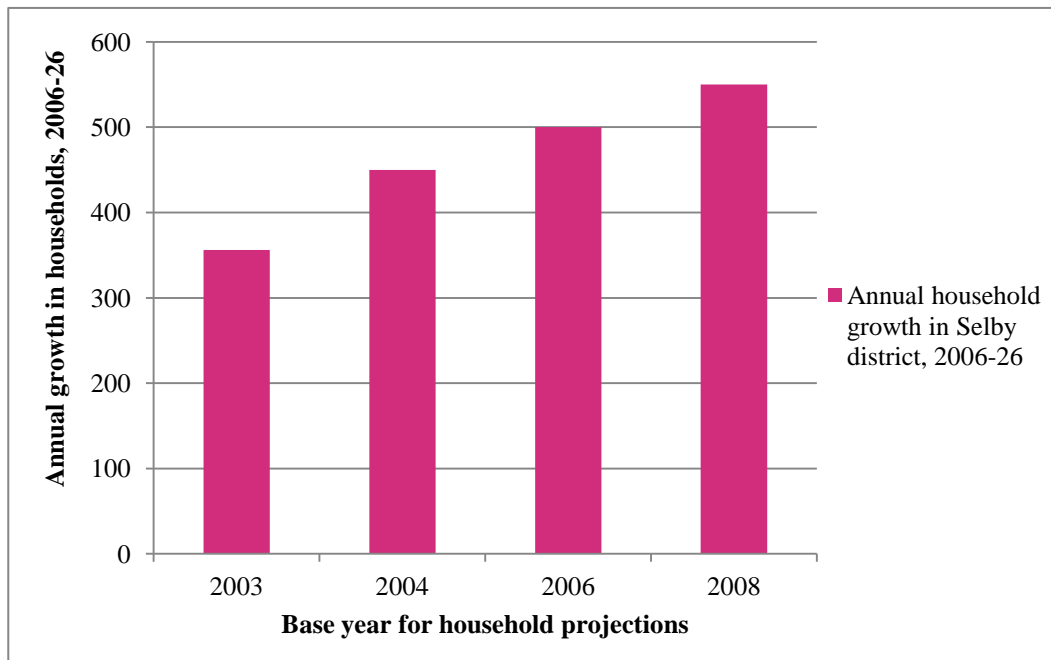
It is relevant to consider household projections based on years prior to 2008. The 2008-based projections reflect the trends of the 5 years up to 2008, which were of rapid economic growth, substantial public spending, and increases in net inward migration. The projections based on previous years, such as those from 2003 and 2004, reflect less buoyant economic conditions and lower levels of net inward migration in the preceding 5 years. A comparison of these different figures is shown in table 3.2.

**Table 3.2: Comparison of different average annual household growth projections for Selby District between 2006 and 2026**

	2003 based Projections Forecast Annual Average Household Growth	2004 based Projections Forecast Annual Average Household Growth	2006 based Projections Forecast Annual Average Household Growth	2008 based Projections Forecast Annual Average Household Growth
Projected annual household growth in Selby district, 2006-26	356	450	500	550

Source: CLG household projections

Note: the 2003 household projections were only produced at a regional level. Therefore a calculation based on the 2004 household projections has been carried out. The 2003 household projections predicted a 17,700 annual increase in households in Yorkshire and the Humber up to 2026. The 2004 household projections predicted an annual increase of 22,000 households in the region up to 2026. The district level 2003 household projections have been calculated by using 79% of the 2004 district household projections.

**Figure 3.3: Comparison of household growth projections in Selby district, 2006-2026**

Source: CLG household projections

Note: see note above on the basis used for the calculation of the 2003 based projections.

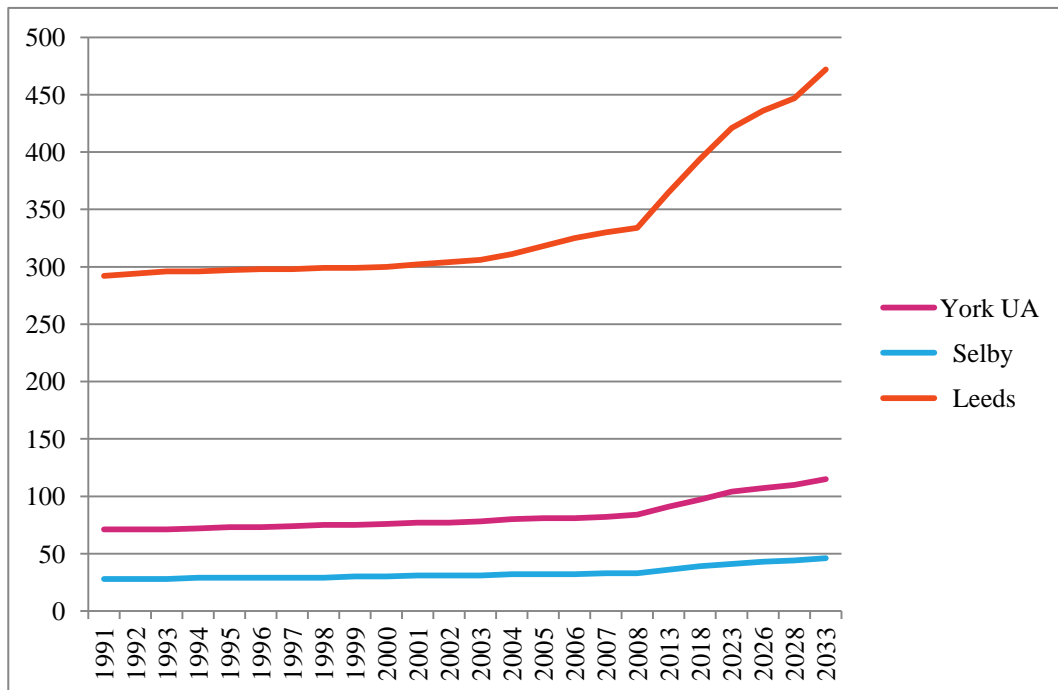
The levels of forecast household growth within Selby and other surrounding authorities have varied significantly over time with the publication of revised household growth figures. Figure 3.3 shows the different levels of forecast

household growth within Selby. This indicates how significantly the household projections have changed from the 2003, 2004, 2006 and 2008 based data. In determining the appropriate level of growth to plan for it will be important to consider the range of annual figures provided by this data.

In compiling the figures set out in table 3.2 and figure 3.3 it is important to remember that these were the annual averages for the period 2006 to 2026. These years were picked as the basis for this comparison as these were common years for which data was published in all four data sets (the household projections do not publish figures for at annual intervals, for example the 2008-based projections contains figures in five year intervals between 2008 and 2033). This made it possible to make a direct comparison between the different data sets. Using different base years for the projections would/ can produce different annual averages. For example, using the 2004-based projections shown in table 2.2 generates an average of 488 homes for Selby District between 2001 and 2021<sup>4</sup>.

A comparison of long term trends and forward projections in household formation is provided in Figure 3.4 below. It shows a marginal increase in the rate of household formation after the early 2000s for Selby, York and Leeds, relative to past trends. This is thought, ultimately, to reflect the higher birth rates associated with the increase in younger international migrants in these districts.

**Figure 3.4: 2008 based household projections (thousands) Selby and selected Yorkshire districts 1991 – 2033**



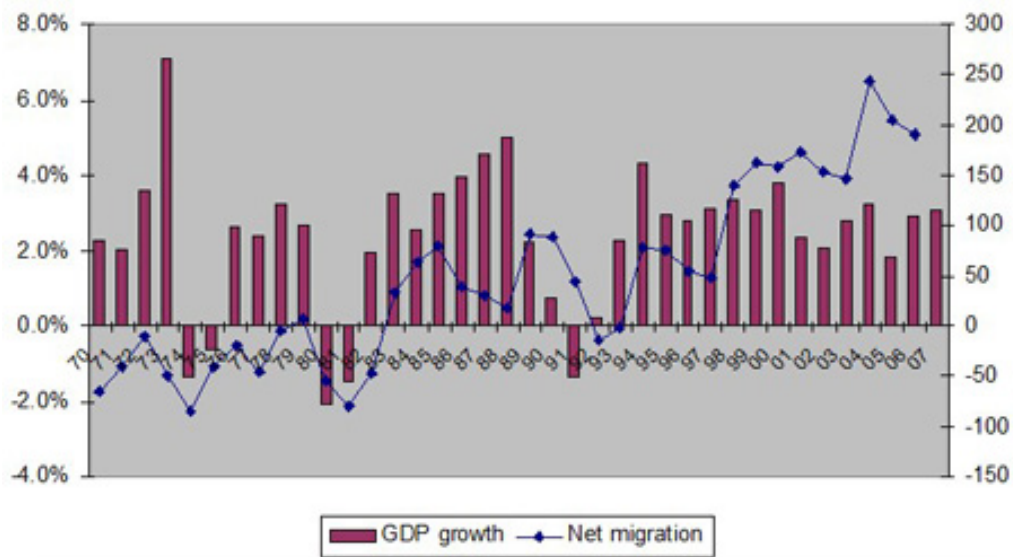
Source: CLG (2010) Table 406 Household projections by district, Arup analysis

<sup>4</sup> Options for Revised Housing Figures in the Draft Yorkshire and Humber RSS, Government Office for Yorkshire and Humber, June 2007, NLP

### 3.4 Recession and Migration

An important consideration in identifying housing growth requirements will be making the most appropriate assumptions on future economic change and migration. This is because the major factor influencing population growth trends, which subsequently impact on household growth, is migration. Migration is driven mainly by employment and economic growth; therefore in times of economic success there will be higher levels of migration, which would be likely to lead to a rising population and household numbers.

In addition to the recent recession, there have been three recessions in the past 40 or so years - 1975/6, 1981/2 and 1993. These show up clearly on the bar chart (Figure 3.5) below, which plots the annual growth in GDP from 1970 to 2007. Net immigration (in thousands) is shown as a graph over the same period. In previous recessions there were impacts on migration, but these were not permanent. However it should be noted that the current recession is more severe than the previous ones, and the recovery is forecast to be weaker.

**Figure 3.5: The relationship between economic growth and migration (UK)**

### 3.5 Conclusions

There are substantial differences in the CLG household projections for Selby District with different base years. These differences reflect the significant variations in population trends in the five years preceding the base years, which in turn reflect major differences in migration and economic trends. We therefore believe that the 2003 and 2004-based figures are more appropriate than the 2008-based figures, which we believe are likely to overstate the requirements. This is because the five years prior to 2008 were a period of rapid growth in the economy, public spending, and net inward migration. The current circumstances are very different, and are likely to remain so with low economic growth, public spending and net inward migration for the next five years. We therefore believe there is a potential case for using the 2003 or 2004 based data, for fuller analysis see Table 1 and section 6.2.1 for more detailed analysis.

Because the Selby SHMA projections of market need are not commensurate with any other projections of housing growth requirements, we would urge caution in using this evidence to inform planned housing growth requirements.

It is important to stress that using the most recent household projections it is not necessarily the most appropriate basis for identifying housing requirements for Selby District. The NPPF does not require the most recent household projections to be used. The NPPF states LPAs should identify housing growth requirements for their areas in a way that “*meets household and population projections, taking account of migration and demographic change.*”

However, as the NPPF is only currently at draft stage LPAs should comply with PPS3. PPS3 states that Local Planning Authorities should take into account the “*Government’s latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.*” Our view is that most recent economic forecasts<sup>5</sup>, which indicate a slow recovery to pre-recession levels of employment and economic growth, mean there is a reasonable case for

<sup>5</sup> Yorkshire and Humber, Regional Econometric Model, 2011

not using the 2008 based forecasts as the basis for identifying future housing requirements.

An important consideration will be what is the most plausible view of future economic growth and migration trends. This will need to take into account recent changes to the economy, and the current economic outlook, which provides a very different context to that for the 5 years which the 2008-based projections reflect. However, evidence from previous recessions is that reductions in net inward migration are not permanent. However, previous recessions were less severe with faster recoveries than the current one.

So although this section has considered the differences, further sections consider these other influencing factors in order to determine which evidence presents the most robust case for SDC.

## 4 Cross-Boundary Issues

---

### 4.1 Introduction

This section considers the impact of relevant trends and policies in surrounding districts to Selby, and the functional relationships between Selby and surrounding districts.

Previous studies<sup>6</sup> have identified the strong inter-relationships between Selby District and the surrounding districts. Selby is part of the Leeds City Region, and the York Sub Area. The District has strong functional relationships with the cities of York and Leeds, and also important links with East Riding, Hull and the Humber, and Wakefield. These functional relationships are manifested through large commuting flows, strong economic influences, and coherent housing markets that cut across the district's boundaries. This chapter considers the commuter and economic relationships to consider the potential implications for housing growth requirements. Chapter 5 considers housing market relationships in the context of deliverability.

In the context of the impending revocation of the RSS, there is an important need for LPAs to take into account cross-boundary issues, and to cooperate with neighbouring LPAs accordingly. This is emphasised in the draft NPPF.

### 4.2 Growth Projections in Surrounding Authorities

#### 4.2.1 Introduction

Table 4.1 shows a comparison of household projections and housing deliver forecasts. Figures shown are the 2003, 2004, 2006, 2008 household projections as established by ODPM/DCLG; the adopted Yorkshire and Humber Regional Spatial Strategy Housing Forecasts (May 2008); and latest forecast for housing delivery as defined by the Local Authority itself as a consequence of the RSS housing forecasts being revoked.

The 2003 projected household growth data produced by the ODPM gave the Yorkshire and Humber Region an average annual change of 17,700 net additional dwellings between 2003 and 2026. Arup have carried out some analysis to provide a district wide figure based on the 2003 projections as this data set was only produced at a regional level. The analysis is explained in the table below.

#### 4.2.2 Assumptions

To provide a consistent comparison of housing projections a base year and an end year has been chosen. The base year and end year was chosen as it is referenced in each projection. The base year chosen is 2006; the end year chosen is 2026. Accordingly the 2008 household projection (CLG) has been 'back-cast' to show a 2006 figure. To ensure a like for like comparison the Yorkshire and Humber

---

<sup>6</sup> Arup (2011) York Sub-Area Study, York and North Yorkshire Sub Regional Local Authorities The Northern Way (2009) City Relationships: economic linkages in Northern city regions, Leeds City Region

Regional Spatial Strategy annual average net additions to the dwelling stock have been calculated for the years 2006 to 2026.



**Figure 4.1: Household Projections for Selby and Surrounding Districts**

Local Authority	2003 Projected Household Growth (2006 to 2026)*	2003 Projections Forecast Annual Average Household Growth	2004 Projected Household Growth (2006 to 2026)	2004 Projections Forecast Annual Average Household Growth	2006 Projected Household Growth (2006 to 2026)	2006 Projections Forecast Annual Average Household Growth	2008 Projected Household Growth (2006 to 2026)	2008 Projections Forecast Annual Average Household Growth	RSS Annual Allocation (2008 – 2026)	RSS Annual Allocation (2006 – 2026) <sup>7</sup>	Adopted or Emerging Core Strategy annual average housing allocation
City of York	15,800	790	20,000	1,000	28,000	1,400	26,000	1,300	850	829	635/850 <sup>8</sup>
Doncaster	15,010	751	19,000	950	21,000	1,050	15,000	750	1230	1,193	1,230 <sup>9</sup>
East Riding	37,130	1,857	47,000	2,350	51,000	2,550	42,000	2,100	1,150	1,150	1,500 <sup>10</sup>
Harrogate	14,220	711	18,000	900	23,000	1,150	16,000	800	390	390	390 <sup>11</sup>
Leeds	52,140	2,607	66,000	3,300	113,000	5,650	102,000	5,100	4,300	4,096	4,300 <sup>12</sup>
Ryedale	3,950	198	5,000	250	7,000	350	5,000	250	200	203	200 <sup>13</sup>
Selby	7,110	356	9,000	450	10,000	500	11,000	550	440	435	440 <sup>14</sup>
Wakefield	23,700	1,185	30,000	1,500	32,000	1,600	26,000	1,300	1,600	1,157	1,600 <sup>15</sup>

<sup>7</sup> RSS (2006 – 2026) - For direct comparison purposes the RSS annual housing allocation has been calculated for 2006 to 2026. This therefore features two years of the (2004-2008) allocation, and 18 years of the (2008 to 2026) requirement.

<sup>8</sup> City of York Council Core Strategy Submission (Publication) Version, September 2011, sets out a housing delivery strategy of an average of 635 dwellings per year between 2011/12 and 2015/16; and an average of 855 dwellings per year between 2016/17 and 2030/31.

<sup>9</sup> Doncaster Council Core Strategy 2011-2026 Submission Version, July 2011, sets out a target of 1,230 net additional dwellings per annum between 2011-2026.

<sup>10</sup> East Riding Council's Core Strategy Further Consultation, October 2011, aims to deliver 1,500 (gross) additional dwellings per annum between 2011- 2028.

<sup>11</sup> Harrogate Council Adopted Core Strategy, February 2009, sets out a target to deliver 390 net additional dwellings per annum between 2004 and 2023.

<sup>12</sup> Leeds City Council, Core Strategy Issues and Alternative Options, April 2007, set out a housing figure to meet the RSS requirement of 4,300 net additional dwellings between 2007 and 2026.

<sup>13</sup> Ryedale District Council, Ryedale Plan, Draft Core Strategy, Summer 2010, has been subject to a series of amendments during 2011. At a Special Council meeting on 20<sup>th</sup> October 2011, the Council resolved that a target to deliver 200 net additional dwellings per annum up to 2026 will be included in the Submission (Publication) version of the Core Strategy to be consulted on in 2012.

<sup>14</sup> Selby Submission Draft Core Strategy, May 2011, sets a target to deliver 440 dwellings per annum up to 2026. Given the planned revocation of RSS and more recent population and household projections, and the Government's Planning for Growth Agenda and the emerging NPPF, the Council has commissioned this study to review the evidence on the different options for a locally appropriate housing target.

<sup>15</sup> Wakefield Metropolitan District Council, Adopted Core Strategy, April 2009 sets out a target to deliver 1600 net additional dwellings between 2008 and 2026.

### 4.2.3 Analysis

Comparison of the projections from 2003, 2004 and 2006 shows significant increase in total overall household growth (and annual growth) for each and every one of the Local Authorities. A comparison of the trend between the 2006 and 2008 projections show a reduction in total overall household growth (and annual growth) for all Local Authorities, except for Selby. It is not clear what the reasons for this area. It may be a statistical quirk as a result of the way in which national projections were stepped-down to local authority level.

Recent (separate) work by City of York Council, and East Riding of Yorkshire Council has led to revised approach to managing the level of housing supply in light of previous projections, recent delivery and short to medium term consequences of the global recession. Their current publicised housing delivery targets take account of this work and as such appear to be able to broadly meet the housing demand requirements.

It should be noted that the two authorities have come to slightly different conclusions on the most appropriate base-year household projections. East Riding has concluded that the most recent (2008-based projections) provide the most appropriate initial basis for identifying future housing requirements. However, they have set out that they believe this overestimates the level of household growth in the district, due to the impact of the economic climate on migration and thus forecast household growth. They have therefore set out a target that is in line with a past completions average (1,489 dwellings per annum between 2004 and 2008) and additional modelling work (1,434) for the district. York have concluded that, because the five year period prior to 2008 saw very rapid economic growth and substantial net inward migration in York, the 2008 based projections do not accurately reflect current and recent economic conditions and population trends.

The robust and up-to-date evidence base for Doncaster and Wakefield would suggest that housing delivery targets will broadly meet housing need. However, it seems unlikely that Harrogate and Leeds will meet the requirements suggested by any of the household projections.

## 4.3 Functional Relationships Between Selby and Neighbouring Authorities

### 4.3.1 Commuting

Selby's strategic geographic location between Leeds and York, two of the main economic drivers in the Yorkshire and Humber Region, means that it fulfils an important economic role as a residential base for commuters to these cities. Selby District has the highest level of out-commuting of any district in the Yorkshire and Humber region with almost half (49%) of the working population travelling to access employment outside of the local authority boundary<sup>16</sup>. The 2009 SHMA data suggests that the figure is now 59% of Selby's working population who are out-commuting. Levels of out-commuting are far greater than levels of in-commuting to Selby district.

---

<sup>16</sup> Selby District Council (2007) Travel to work patterns, Core Strategy Background Paper Number 1 (CS/CD22)

There is a relationship between the level of out-commuting and the distance travelled to access employment. Selby residents have the longest average journey to work times of anywhere in North Yorkshire<sup>17</sup>. The breakdown of inflows and outflows into Selby district are set out in the table below.

**Table 4.2: Commuting patterns to and from Selby District (percentage of all journeys to work by Selby District's working population to and from Selby District), 2001**

Local Authority	From Selby	To Selby
Leeds	16%	1%
York	12%	2%
Wakefield	8%	2%
East Riding	3%	1%
Bradford	1%	0%
Kirklees	1%	0%
Hambleton	1%	0%
Harrogate	1%	0%
Ryedale	1%	0%
Doncaster	1%	1%
Hull	1%	0%

Source: Selby District Council (2007) *Travel to work patterns, Core Strategy Background Paper Number 1 (CS/CD22)*

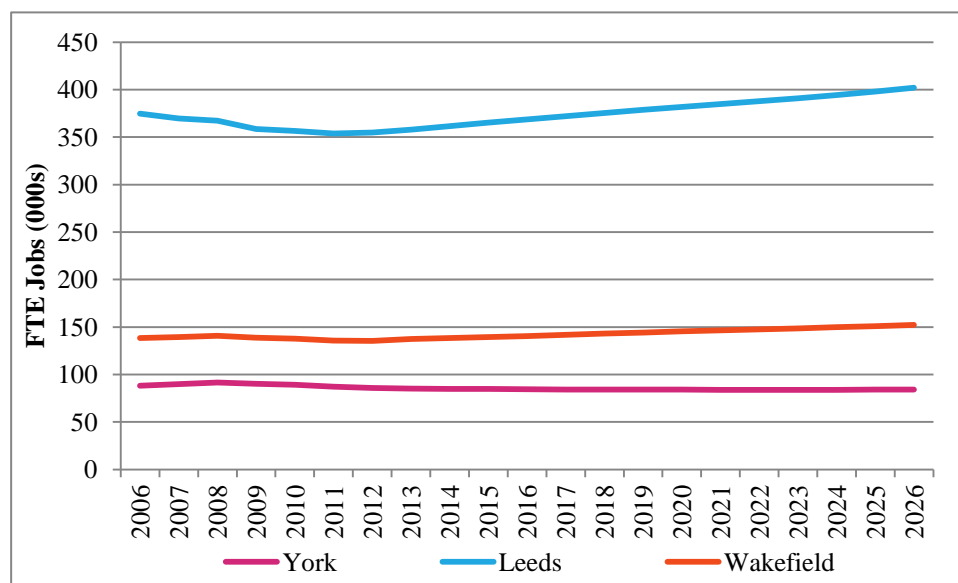
Note: Numbers in the table do not sum to 100% due to the number of people who live and work within Selby District (51% of journeys to work of Selby residents are within Selby district)

### 4.3.2 Forecast Economic Change in Surrounding Areas

Table 4.2 above shows that the Leeds, York and Wakefield are the most significant destinations for out-commuters from Selby. This highlights the importance of these areas as drivers of economic growth in the district and therefore their future economic growth and success is important to Selby. Figure 4.1 illustrates how the recession, from 2008 onwards impacted upon the number of FTE jobs in these places and when it is projected that they will reach pre-recession levels of employment.

This data reveals that in absolute terms the most jobs will be lost in Leeds as a result of the recession, however the resiliency of the city to these effects is proved by the fact it is projected to be back to pre-recession levels of employment by 2017. The data shows that Leeds is projected to drive employment growth, with more than 400,000 jobs to be located within the local authority area by 2026. In contrast Wakefield is projected to have much lower levels of employment growth, with York projected to experience declining employment until 2022, with modest levels of growth anticipated to occur after this.

<sup>17</sup> Rural Evidence Base for York and North Yorkshire - York and North Yorkshire Partnership Unit

**Figure 4.1: Forecast employment growth in Leeds, York and Wakefield**

## 4.4 Conclusions

Because Selby has strong functional relationships with surrounding districts, it is important to consider the evidence on projected household and economic changes across the wider area. In particular it is important to note:

- Significant population and household growth is forecast in surrounding areas, particularly Leeds, York, and Harrogate;
- There is evidence that emerging planning policy in some of these surrounding districts could lead to an under provision of housing (e.g. Leeds, Harrogate), and there are questions as to the deliverability in the short term of the identified housing land supply in some authorities (e.g. Leeds, York);
- Whilst economic recovery is likely to be soonest in cities such as York and Leeds, the most recent economic forecasts indicate employment will not recover to pre-recession levels by 2017; and
- Whilst the policy in the draft Core Strategy is for Selby to become more self-contained economically and not to be an out-commuting location for other Districts, the trend of out-commuting is likely to continue at least in the short to medium term.

This raises the question whether Selby District should be planning to accommodate housing demand caused by potential under provision in surrounding authorities. It is clear there are strong functional relationships between Selby and these other local authority areas. Leeds and York in particular are important economic drivers for their surrounding authorities, including Selby, and are likely to remain so in the future. However there are three main reasons why it would be inappropriate for Selby District to accommodate additional housing growth as a result of potential under-provision by others. First, it would be contrary to the policy approach of the draft Core Strategy to increase Selby District's self containment economically. Second, it would be contrary to the overarching policy approach of the RSS to focus growth in the main urban areas. Third, other than the RSS there is no clear agreed sub-regional spatial strategy or approach between

local authorities in the Leeds City Region or the York Sub Area for dealing with cross-boundary housing market pressures.

## 5 Recent Evidence on Deliverability of Housing Growth

---

### 5.1 Introduction

Evidence of housing completion rates, house prices and affordability should be considered in relation to the deliverability of planned housing growth. Information on housing completions indicates the overall capacity for delivery and house prices trends and affordability provide some indication of the extent to which demand is being matched by supply. This is relevant to informing the identification of housing growth requirements because it provides evidence on housing market pressures, and deliverability and the capacity of the development market.

Overall the housing market in the past few years has been influenced by a number of national factors, including the availability of mortgage credit and of funding for affordable housing provision. Over the last decade housing completions have fallen in numbers relative to earlier periods, despite the strength of the market. Higher prices have also choked off and suppressed demand. There has also been a tendency towards the provision of smaller units in high density schemes, particularly for first time buyers.

### 5.2 Completions

Evidence on completions can inform judgements on the significance of housing market pressures and on the deliverability of planned housing growth, particularly the ability to secure delivery of housing through development markets.

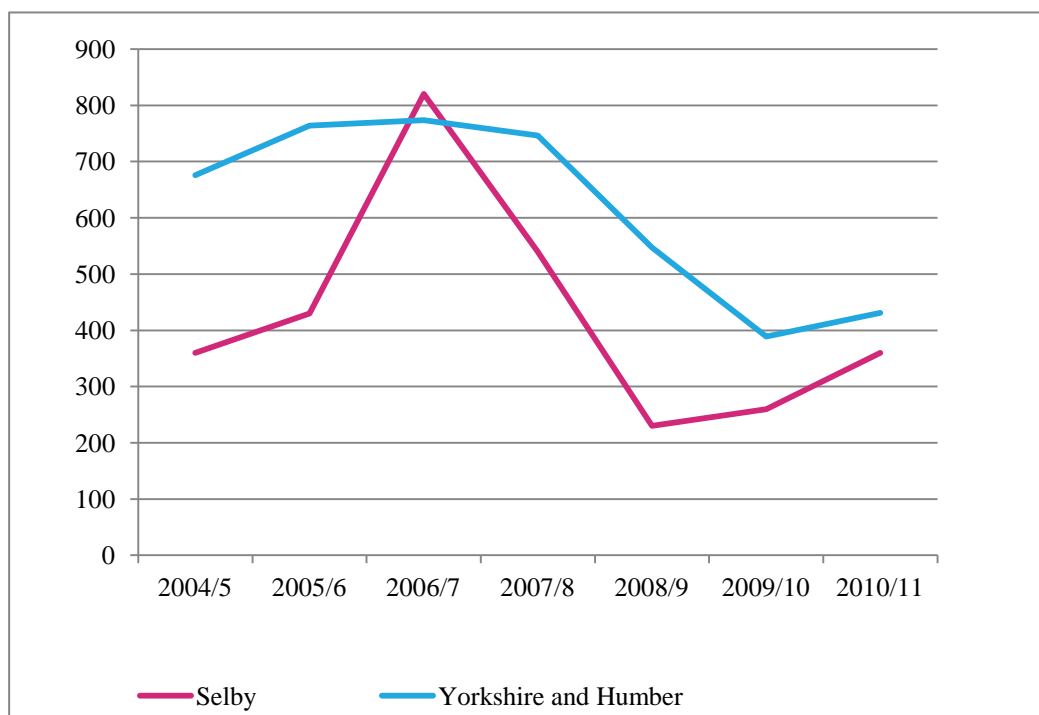
The annual average housing completions in Selby for the period 2003-2011 was 465 (Table 5.1). This average was met or exceeded in four of the years, with particular peaks in completion (i.e. over 500 units) between 2005/06 and 2007/08. These figures are taken from the authority's own data, which is based on site visits to monitor permissions and completions.

The SDC data records a higher rate of completions than shown in the CLG live Tables (Table 5.1). It should be noted that the authority's own data will be more accurate since the data is based on actual site visits, while the CLG figures are based on sign offs from SDC building control, which are less reliable and are known to under estimate completions (i.e. the figures do not include inspections from non SDC building control agencies). That said it is useful to consider the CLG data in order to compare trends across districts and at the national level since data for all districts will be subject to the constraints outlined above.

**Table 5.1: Comparison of completions data in Selby using CLG and SDC data**

Year	CLG Live Tables	SDC Monitoring Data
2000/01	n/a	389
2001/02	n/a	137
2002/03	n/a	33
2003/04	n/a	297
2004/5	360	469
2005/6	430	638
2006/7	820	874
2007/8	540	583
2008/9	230	226
2009/10	260	270
2010/11	360	366
<b>Average (2003/04 -2011)</b>	<b>N/A</b>	<b>465</b>

Sources: CLG (2011) Live Table 253 - House building: permanent dwellings started and completed, by tenure and district, 2004/05; SDC (2011) Housing Completions Monitoring Data

**Figure 5.1: Housing completions, 2004/05 – 2010/11**

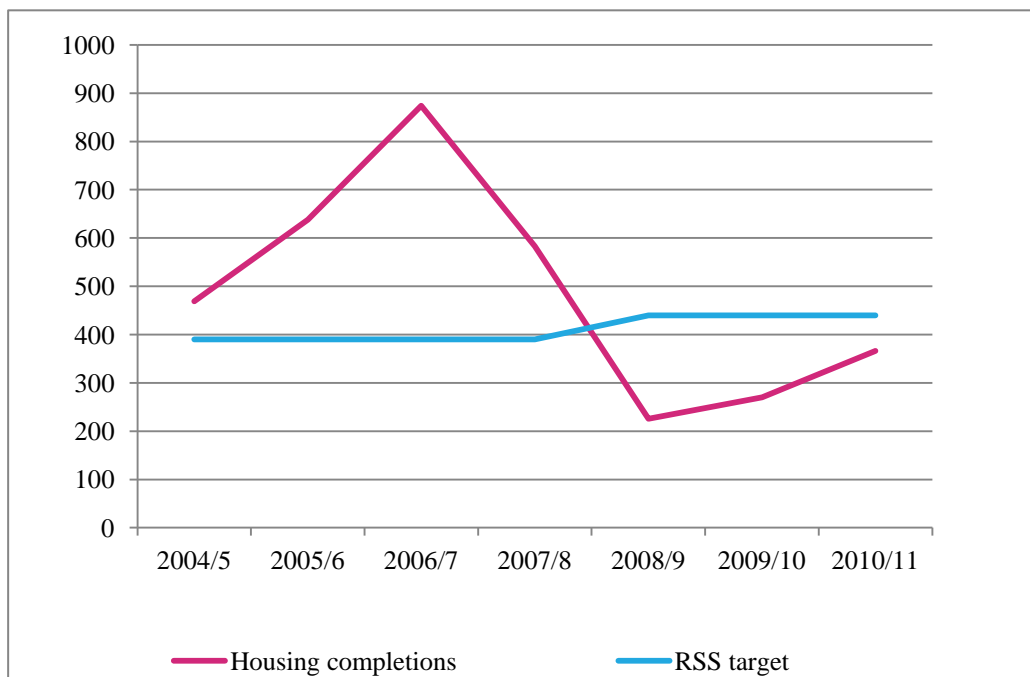
Source: CLG (2010) Live Table 253 - Housebuilding: permanent dwellings started and completed, by tenure and district, 2004/05

Data from the CLG live tables show that housing completions in Selby were below the regional average for Yorkshire and Humber between 2004 and 2005 and 2007 to 2010 (Figure 5.1). The rate went above that of the regional average in 2006 when there were 820 net additional dwellings completed in the district.

Completions in Selby appear to be recovering at a faster rate than the average for Yorkshire and Humber.

A comparison of housing completions in Selby District and the RSS target for the district show that prior to the recession it was exceeding the target that it had been set. The impact of the recession and credit crunch can be seen to have been significant with the number of net additional dwellings in the district that have been completed falling significantly.

**Figure 5.2: Comparison of housing completions in Selby and RSS target, 2004/05 – 2010/11**



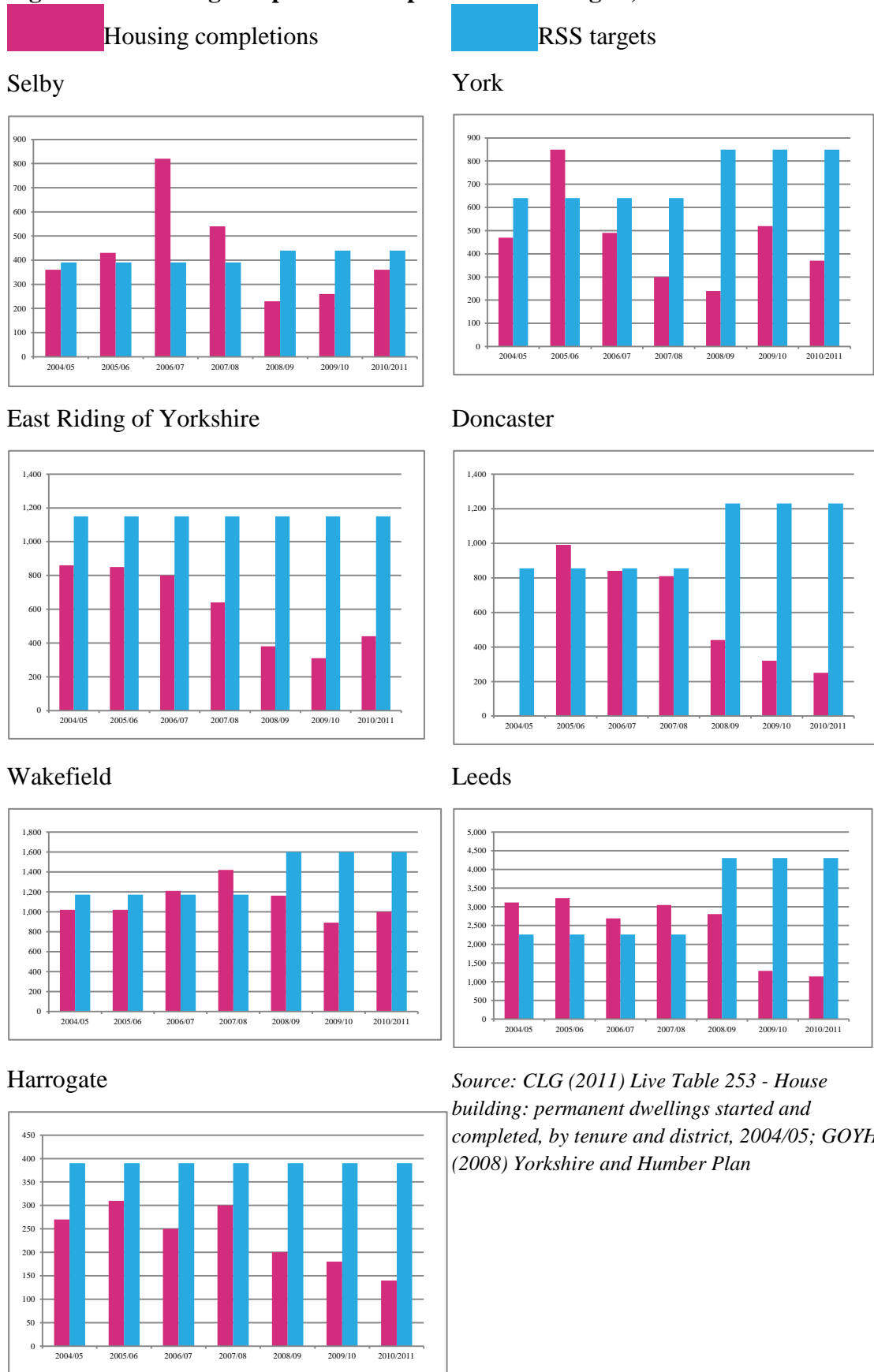
Source: SDC (2011) *Housing Completions Monitoring Data*; GOYH (2008) *Yorkshire and Humber Plan*

The CLG Live Table data allows comparison to be made across the districts surrounding Selby with regards to housing completions and the RSS targets. However, the analysis needs to be treated with caution, given the constraints associated with the CLG Live Table data (as outlined above). Nevertheless the data provides a general indication of trends in the wider area. According to the CLG Live Table data, almost without exception, the districts reviewed failed to meet their RSS targets over this period (Figure 5.3).

The exception to this was Leeds, which between 2004 and 2008 exceeded its RSS targets. However, this should be viewed in light of the increase in its target in 2008 from 2,260 to 4,400, with the authority seeking to over deliver in earlier years to help build development capacity to meet the step change required.



**Figure 5.3: Housing completions compared to RSS targets, 2004/05-2010/11**



Source: CLG (2011) Live Table 253 - House building: permanent dwellings started and completed, by tenure and district, 2004/05; GOYH (2008) Yorkshire and Humber Plan

### 5.3 House Prices

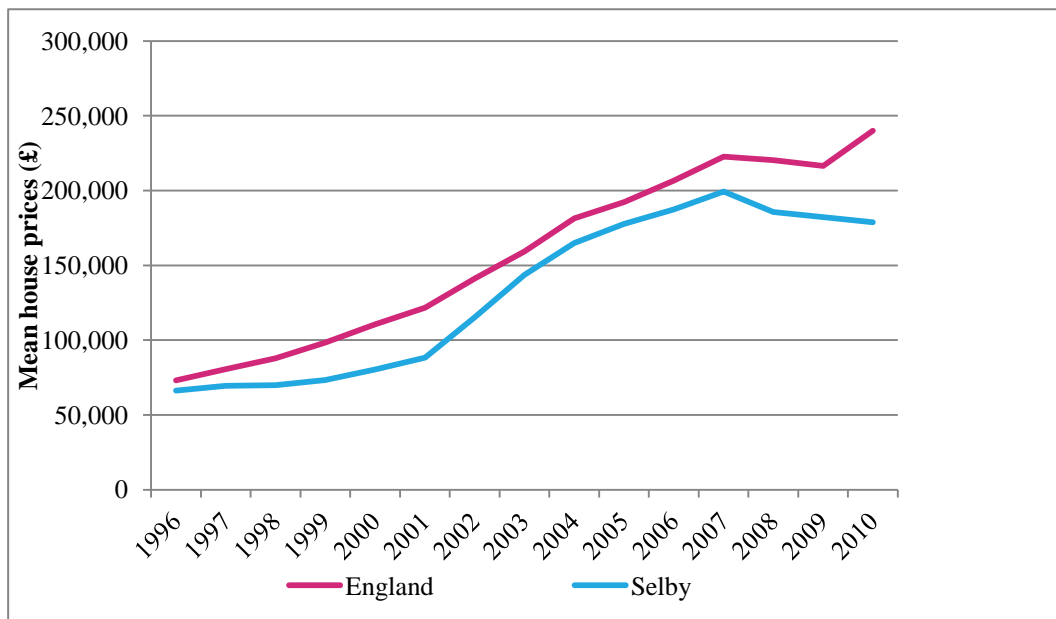
Evidence on house price trends can help inform the assessment of levels of market demand, and deliverability.

Mean house price in Selby have been consistently below the English average since 1996. In contrast lower quartile house prices have been in-line with the English average between 1996 and 2010.

House prices in the district rose between 1996 and 2007, with the recession and the credit crunch leading to falling house prices not only within Selby but across the country during 2008 and 2009 (source: CLG). However, whilst the mean house price for Yorkshire and Humber and England increased in 2010, the price continued to fall in Selby, indicating the scale of the impact on the market. Consequently, this has led to the gap between house prices in Selby and England widening and in 2010 mean house prices was more than £60,000 less in the district (source: CLG house price data).

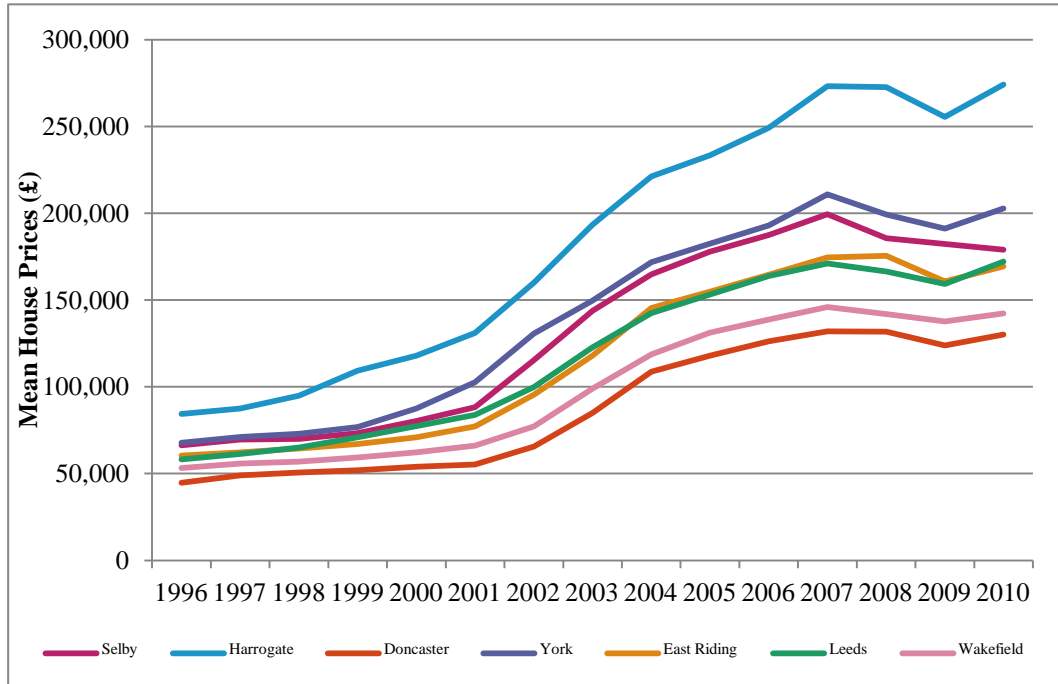
Mean and lower quartile house prices increased by 170% and 193% respectively in Selby District between 1996 and 2010. This was a lower rate of change than the English averages, which grew by 228% and 205% respectively.

**Figure 5.4: Mean house prices in Selby and England, 1996-2010**



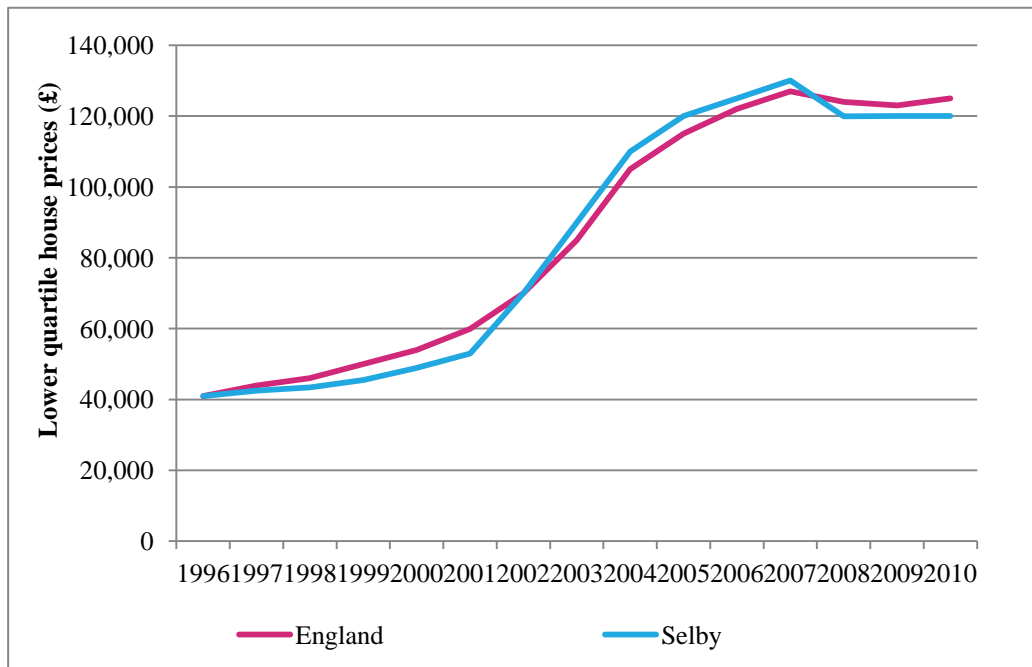
Source: CLG (2011) Live Table 585 - Housing market: mean house prices based on Land Registry data, by district, from 1996

**Figure 5.5: Mean house prices in Selby and surrounding authorities, 1996-2010**



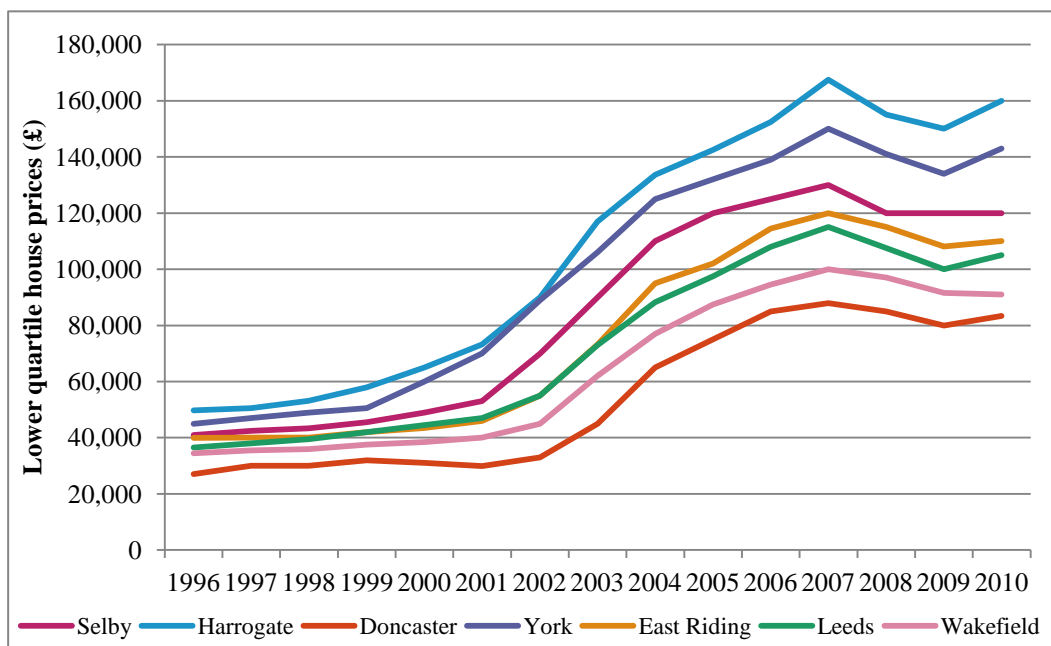
Source: CLG (2011) Live Table 585 - Housing market: mean house prices based on Land Registry data, by district, from 1996

**Figure 5.6: Lower quartile house prices in Selby and England, 1996-2010**



Source: CLG (2011) Live Table 587 - Housing market: lower quartile house prices based on Land Registry data, by district, from 1996

**Figure 5.7: Lower quartile house prices Selby and surrounding authorities, 1996-2010**



Source: CLG (2011) Live Table 587 - Housing market: lower quartile house prices based on Land Registry data, by district, from 1996

This analysis shows that, following a period of slow growth in house prices between 1996 and 2001, between 2001 and 2006 there was substantial growth in prices. This was followed by a sharp drop in prices from early 2007 as a result of the credit crunch and the recession. Whilst there was a mini-recovery in prices in some areas in late 2009 / early 2010, this was not the case in Selby District. Most predictions are for prices to remain at current levels or decrease slightly over the next year, and to grow very slowly over the next 5 years<sup>18</sup>.

This analysis shows that the market conditions over the five years previous to the base year for the 2006 and 2008 based CLG household projections are very different to those of now, the past 2-3 years, and those that are likely in the next 5 years. This means there will be lower deliverable housing market demand than previously.

## 5.4 Housing Affordability

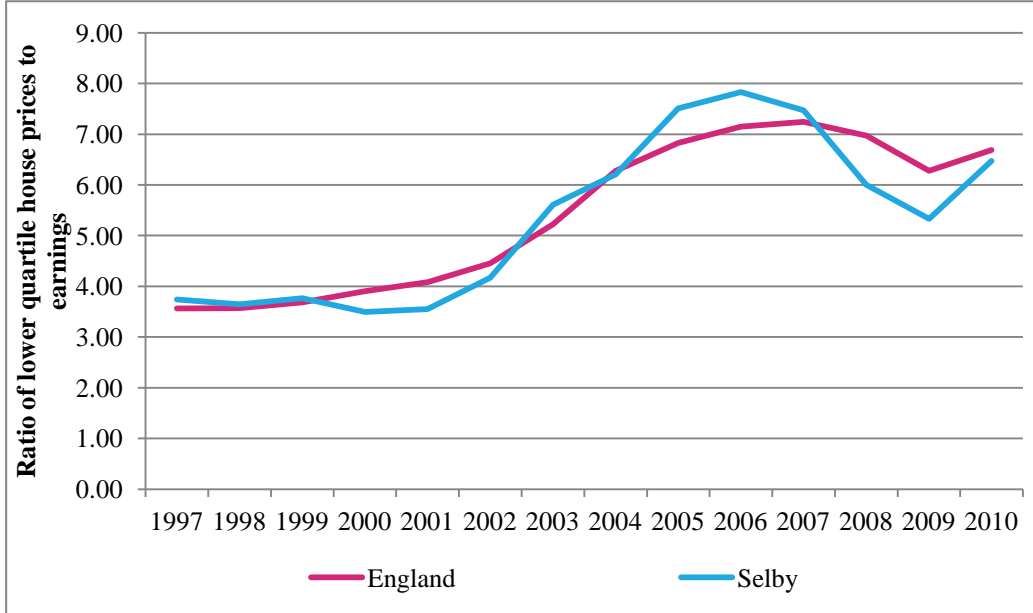
Evidence on housing affordability can inform the assessment of the scale of housing market needs, and the extent to which the needs are being met through the housing market and affordable housing provision.

It is possible to understand the affordability of Selby's housing market by understanding the ratio of lower quartile house prices to lower quartile incomes. By comparing this data with the average ratio for England it is possible to see that affordability in the area is broadly consistent with the national average. However, between 2005 and 2007 the affordability ratio was worse in Selby than the national average, indicating that house prices have grown at a faster rate than

<sup>18</sup> Nationwide (November 2011) House prices data

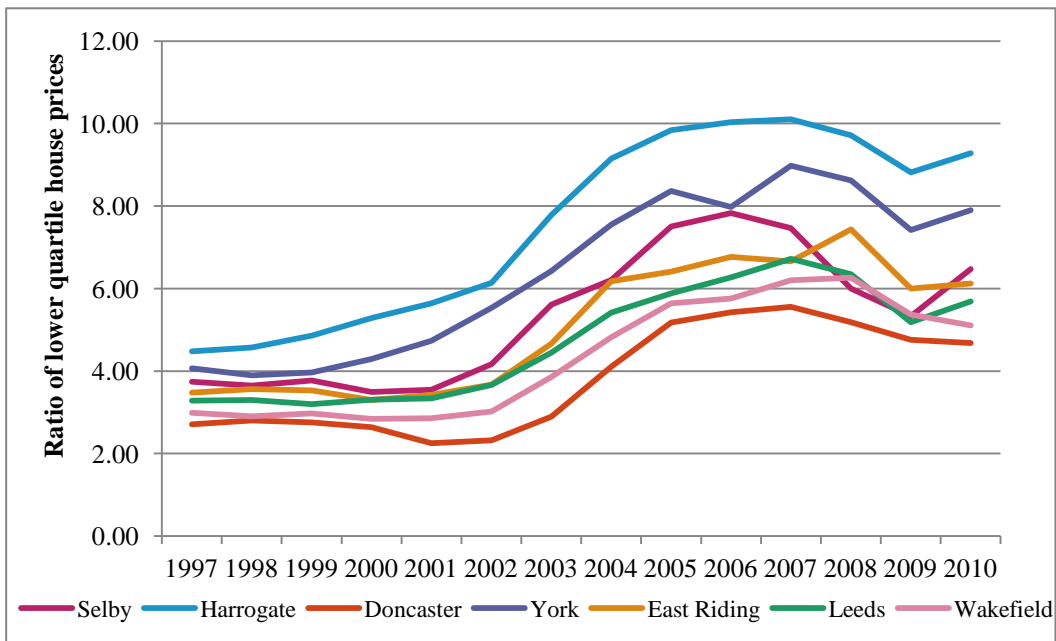
incomes for those in the lower quartile. However, housing affordability is less of an issue than in surrounding districts such as York and Harrogate, although this may only serve to add to demand in Selby, with people priced out of this market.

**Figure 5.8: Housing affordability in Selby and England, 1997-2010**



Source: CLG (2011) Live Table 576 - Ratio of lower quartile house price to lower quartile earnings by district, from 1997

**Figure 5.9: Housing affordability in Selby and surrounding authorities**



Source: CLG (2011) Live Table 576 - Ratio of lower quartile house price to lower quartile earnings by district, from 1997

This evidence shows that Selby does not face as severe affordability issues as surrounding Districts, which indicates less severe housing market pressure. Lower

house prices than the surrounding areas can help create housing market demand, particularly in the context of constrained consumer credit markets. Research by the Halifax<sup>19</sup> shows that Selby has the youngest average first time buyers (age 25) in England, and a first time buyer average house price of £114,113. This points to the possibility that Selby District has an important market function by providing stock at the entry level of the market within the wider context of the Leeds City Region.

## 5.5 Identified Housing Land Availability

SDC is currently undertaking work to update the district's Strategic Housing Land Availability Assessment (SHLAA), which was completed in 2009. This found that there was a potential land supply of 43 years, when using the RSS target of 440 dwellings per year, (excluding strategic sites) and 51 years including strategic sites. This sets out the following approach to the number of homes that can be brought forward by 2026 in the District by settlement:

**Table 5.3: Capacity identified through the SHLAA for new homes in Selby District to 2026**

	0-7 years	8-17 years	Total supply to 2026
Selby Urban Area	1,109	1,973	3,082
Remainder of SAAP	891	1,733	2,624
Sherburn	1,447	1,117	2,564
Tadcaster	0	1,500	1,500
Rest of the District	2,528	6,616	9,144
<b>Sub Total</b>	<b>5,975</b>	<b>12,939</b>	<b>18,914</b>
Strategic Sites	0	3,404	3,404
<b>Total</b>	<b>5,975</b>	<b>16,343</b>	<b>22,318</b>

*Source: Selby District Council (2009) Strategic Housing Land Availability Assessment – Final Report*

The distribution of housing land in the district shows a number of trends that could affect the ability to deliver, and the location of, housing growth:

- Approximately half of the potential land supply for housing growth is outside the three main settlements of Selby, Sherburn and Tadcaster.
- 17% of the potential homes identified in the SHLAA falls within the strategic sites in the district, meaning that they are likely to play a significant role in the ability of the district to deliver its aspirations for housing growth/ This was before the draft Core Strategy allocated one site, because the others were not considered suitable, achievable and deliverable.
- When applying the results of the Level 2 Strategic Flood Risk Assessment for the district to the results of the SHLAA it is clear that the amount of low flood risk land in the most sustainable locations is limited. This reflects the need to

<sup>19</sup> See: “The North offers the best chance for young buyers to get on the housing ladder”, Halifax press release, 24 September 2011.

identify possible strategic sites within or adjacent to the main settlement of Selby town.

During the Examination of the Core Strategy. Further information was provided by landowners' agents regarding the unwillingness to bring their sites forward within Tadcaster. Consequently a significant proportion of sites identified in the 2008 SHLAA are not deliverable within the plan period of the Core Strategy. This issue is currently being considered by SDC through its update of the SHLAA, with its results providing a useful indicator of where land is available for housing development.

## 5.6 Conclusions

Past completion rates have fluctuated significantly. This reflects changes in the housing market, and also the impact of large schemes being developed in certain years. The extent of these fluctuations means care is needed in considering completion rates as a basis for planning future housing provision.

The average annual completions rate for the period 2003/04 and 2010/11 is 465 dwellings per annum. This provides an indication of the housing development market's capacity to deliver housing growth. A housing requirement figure significantly below the long term average completion rate would raise questions as to whether housing needs were being met. A housing requirement figure significantly above the long term average completion rate would raise questions about the deliverability in terms of market capacity of the planned housing growth.

Housing price trends have been broadly in line with that of surrounding districts. The evidence points to reasonably robust demand in Selby at the entry and lower levels of the housing market. However the most recent data shows average house prices still falling. Development values in Selby are generally lower than in some surrounding districts. Although analysis of the SHLAA indicates that this may be off-set by lower development costs relating to infrastructure for some (although not necessarily) all sites in Selby District. Unlike some other Districts, Selby is not relying heavily on bringing forward highly constrained, brownfield sites in areas of housing market weakness. Therefore it would be wrong to conclude that relatively low development values will impair delivery more than in other areas.

Based on the evidence on completions and the fact housing market conditions are likely to be weak for the near future, there could be a case for slightly lower levels of housing delivery in the first 5 years of the plan.

The evidence on housing completions and house prices is that in line with many other places there are weaknesses in the housing development market in Selby District, and significant price increases or increases in development activity are unlikely in the next 2 to 3 years. The fact that annual housing completions exceeded 500 in only three years, at the height of the housing boom, provides a further indication of the deliverability constraints, particularly given current market conditions. Therefore we conclude that a housing requirement figure significantly above the long term average completion rate would not be sound.

## **6 Overall Analysis and Interpretation of the Most Appropriate Planned Scale of Future Household Growth in Selby**

---

### **6.1 Overview**

The latest available (2008-based) CLG household projections indicate demand that is substantially higher than either the RSS allocations or the average completions rate. This requirement is lower than the amount of potentially available housing land identified in the SHLAA. The situation is similar for several of the surrounding authorities including Leeds, York, the East Riding and Harrogate, some of which do not have identified suitable, available and achievable housing capacity. Selby district also has house prices below the national average and lower quartile house prices and housing affordability is in line with the national average.

Interpreting such trends and devising an appropriate policy response is ultimately a matter of judgement. The Government's commitment to localism, as set out in the draft NPPF, offers an opportunity for SDC to take decisions as to the appropriate level of provision. However, the choice of provision needs to be framed within national policy which states that authorities should meet local demand, the requirement for "soundness" in the plan with respect to the evidence base and general requirements for sustainability.

Table 1 in the Executive Summary sets out the main sources of evidence that could inform the identification of the planned housing requirement figure.

### **6.2 Conclusions on Main Factors Influencing Housing Growth Requirements**

#### **6.2.1 Household projections**

The household projections are an indication of the likely increase in households given the continuation of recent demographic trends, typically over the previous five years. The use of such short periods, combined with limited data, means that it is challenging for such trends to capture the full effect of economic cycles. At the same time, as these trends are also stepped down from larger area forecasts it seems unlikely that they are able to capture any effects of local economic trends.

As the CLG households projections are based on previous 5 year trends, the evidence on recent migration trends and economic forecast, indicates that the 2008-based projections overstate requirements. The 5 years prior to 2008 were a period of rapid growth in the economy, public spending, and net inward migration. The current circumstances are very different, and are likely to remain so with low economic growth, public spending and net inward migration for the next five years. This view is reinforced by Scenario 3 in the North Yorkshire SHMA work, which factored in the impact of the latest economic forecasts from the Regional Econometric Model. This scenario projects a requirement for 403 additional dwellings per annum.



Our judgement is that as an approximation of trends representative of an economic cycle, the 2003 or 2004 based forecasts are more representative of minimum long term requirements. We are also aware that ONS have worked to improve the accuracy of their forecasts, albeit Government forecasters did not predict the onset of recession in 2008-9. But it is clear that the methodology used for the production of the forecasts is trend based and that the 2008 forecasts were produced at a time of relatively high economic optimism. The 2003 and 2004 based forecasts on the other hand, were preceded by a period of less rapid growth in 2001/02. If this view is accepted, we encourage that Selby use the 2003 or 2004 based projections for its allocations (see table 1).

The 2003 based forecasts suggest an annual housing requirement of about 17,700 dwellings per annum across the Yorkshire and Humber region, equating to an average of around 345-365 net additional dwellings on average per annum for Selby District. The 2004 based projections forecast an annual increase of 22,000 dwellings per annum in the region, equating to an average of 450 dwellings per annum in Selby (see table 1). Based on these figures and that the long term trend of completions has been 465 net additional dwellings per annum between 2003/04 and 2010/11, we believe that a figure closer to the 2004 based projections would be more appropriate for Selby than the 2003 based projections. Such a figure would be similar to the RSS provision. As is indicated above, more recent forecasts suggest a substantially higher requirement.

Taking these factors into account, our conclusion is that the 2004-based household projections provide a more robust basis for identifying future housing growth requirements.

## 6.2.2 Cross-boundary issues

Selby is part of a wider strategic housing market and there is potential for the under provision (in terms of planning and / or actual delivery) of housing in parts of this wider area, particularly in Harrogate, Leeds and York. This under provision is likely to increase pressures in the wider housing markets, including in Selby District.

Final decisions on housing requirements need to take account of the implications of allocations in terms of the impact on transport networks and overall sustainability. The high levels of out-commuting from Selby when combined with the economic forecast for the area from the REM would indicate that housing growth is likely to be above employment growth, suggesting continuing high levels of out commuting under most reasonable scenarios.

However we conclude that would be inappropriate for Selby District to accommodate additional housing growth as a result of potential under provision by others. It would be contrary to the policy approach of the draft Core Strategy to increase Selby District's self containment economically, and to the overarching policy approach of the RSS to focus growth in the main urban areas. Other than the RSS there is no clear agreed sub-regional spatial strategy or approach between local authorities in the Leeds City Region or the York Sub Area for dealing with cross-boundary housing market pressures. Housing Market and Completions

Whilst CLG projections may represent trends in household formation and thus housing demand, given affordability constraints this is not to suggest that this demand will be met through affordable or market-based housing completions. The

effectiveness test of soundness requires Core Strategies to be deliverable and therefore it is appropriate to compare housing targets against past housing completions. Questions may be raised if a housing target is adopted that is not consistent with the long term average for completions.

The long term average taking into account both boom and recessionary conditions, suggests trends in completions averaging 465 net additional dwellings per annum between 2003/04 and 2010/11. We have taken this as the long term average for the district in accordance with information in SDC's Annual Monitoring Report 2010. This states that data on housing completions prior to 2003/04 should be taken as indicative only. However, this average of 465 net additional dwellings per annum conceals considerable annual variations, with a peak in 2006-7 of 874 dwellings.

Completions in 2010/11 were 366 net additional dwellings, reflecting the effects of the recession and a broader context in which the availability of finance for housing (for developers, mortgages and affordable provision) has been very tight. However, the 2010/11 completions have risen on the 2008//09 and 2009/10 figures that were 226 and 270 net additional dwellings per annum respectively, indicating that market conditions in Selby are beginning to improve albeit from a low base.

There have been significant effects of the recession on housing completions in the district. However the evidence is that high levels of completions have been achieved in the past. There may be merit in considering a phased approach with a lower housing requirement for the first five years of the plan, reflecting market conditions, and the challenges of bringing schemes forward in the context of limited public spending on housing, regeneration and infrastructure.

### **6.2.3 Assessment of the Appropriate Housing Growth Requirement**

We conclude that, taking into account recent evidence on economic, migration and housing market trends the 2004 household projections provide the most appropriate basis for planning for housing growth.

**Therefore we conclude the overall provision should be in the region of 450 net additional dwellings per annum.**

The evidence on completions, which between 2003/04 and 2010/11 averaged 465 per annum, is that this figure is deliverable. However there is a case that could be made for a slightly lower rate of delivery in the first five years of the plan, to be compensated for in late years. This would depend on the detailed evidence on the market deliverability of housing land, and the view on future trends in the housing market.