

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **1 September 2011**  
Time: **4pm**  
Venue: **Committee Room**  
To: Councillor Mark Crane, Councillor Mrs Gillian Ivey, Councillor Cliff Lunn, Councillor John Mackman and Councillor Chris Metcalfe

### 1. Apologies for absence

### 2. Minutes

The Executive is asked to approve the minutes of the meeting held on 28 July 2011. Pages 3 to 6 .

### 3. Disclosures of Interest

Members of the Executive should disclose personal or prejudicial interest(s) in any item on this agenda.

### 4. Site Allocations DPD Preferred Sites Version and Associated LDF Documents – Key Decision

Report E/11/18 asks the Executive to consider the recommendations from Policy Review Committee, approve submission of the SADPD to Council and consider recommendations regarding the District's housing land supply. Pages 7 to 188.

### 5. Affordable Housing SPD – Key Decision

Report E/11/19 provides an update to the Executive on the Affordable Housing SPD following public consultation. Pages 189 to 230.

**6. 1<sup>st</sup> Interim Budget Exceptions Report - Key Decision**

Report E/11/20 provides the Executive with details of major variations between budgeted and actual Expenditure and Income for the 2011/12 Financial year to 30 June 2011. Pages 231 to 243.

**7. 1<sup>st</sup> Interim Treasury Management Progress Report**

Report E/11/21 asks the Executive to endorse the actions of Officers on Council's Treasury Management for the first quarter of 2011/12. Pages 244 to 252.

**8. Corporate Plan – Key Decision**

Report E/11/22 asks the Executive to approve the Corporate Plan for submission to Council. Pages 253 to 271.

**9. 1<sup>st</sup> Interim Corporate Plan Progress Report**

Report E/11/23 provides the Executive with details of Access Selby key performance indicators following the first quarter of reporting for 2011/12. Pages 272 to 284.

**10. North Yorkshire Housing Investment Plan 2011 – 2021**

Report E/11/24 asks the Executive to endorse the North Yorkshire Local Investment Plan 2011-2021. Pages 285 to 338.

**11. North Yorkshire Housing Strategy Local Action Plan**

Report E/11/25 asks the Executive to approve the list of actions which comprise the Selby District Local Action Plan. Pages 339 to 351.

**M Connor  
Chief Executive**

<b>Dates of next meetings</b>
<b>Executive Briefing 15 September 2011</b>
<b>Executive 6 October 2011</b>
<b>Executive Briefing 20 October 2011</b>

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# REPORT

Reference: E/11/19

Public – Item 5



**To:** Executive Briefing  
**Date:** 1 September 2011  
**Status:** Key Decision  
**Report Published:** 23 August 2011  
**Authors:** Carolyn Vaughan Downes (Rural Housing Enabler) Jessica Morris (Policy Officer) Julia Jennison (Policy Officer)  
**Executive Member:** Councillor G. Ivey  
**Lead Officer:** Director – Janette Barlow

**Title:** Affordable Housing Supplementary Planning Document

## Summary:

To update members on the progress of the draft Affordable Housing Supplementary Planning Document (SPD) following a public consultation in February.

## Recommendations:

- i. **Draft Affordable Housing SPD document is submitted to Executive to inform members on progress and agree the next stages of development.**
- ii. **Executive to agree Officers approach to consultation and response to comments received.**

## Reasons for recommendation

- i. Following consideration of the consultation exercise and amendments to Planning Policy Statement 3; Housing the Council have proposed a further work programme to take the draft Affordable Housing SPD forward, in preparation for the adoption of the Core Strategy later this year.

## **1. Introduction and background**

- 1.1 The draft Affordable Housing SPD sets out the Councils approach to delivering affordable housing. Housing affordability is one of the biggest challenges facing the District. House prices are higher than the national and regional average and there is significant housing need.

## **2. The Report**

- 2.1 The draft Affordable Housing SPD, which is attached for Executive members to consider, and aims to support the implementation of Policy CP5 and CP6 of the Core Strategy , which is timetabled to be adopted towards the end of this year. The SPD aims to assist stakeholders on a range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs.

- 2.2 The Affordable Housing SPD was consulted on throughout January and February 2011. A number of key events were organised by officers of the Council throughout this period to publicise the SPD and get comments from key stakeholders and the local community. These were as follows;

- Tadcaster & Villages Community Engagement Forum – Council officers manned display boards prior to the CEF meeting on the 17 January 2011. Approximately 50 people attended the meeting and just over half provided comments. Overall, responses agreed with the principles of the SPD; that market housing is mixed with affordable housing, all new housing should provide contributions for affordable housing and affordable housing should be for local people.
- Registered Housing Providers & Developers Stakeholder Workshop – Just over 20 key stakeholders attended the half day workshop on the 26 January 2011. Overall there was general support for the approach of the SPD and a number of technical comments. Technical comments have been addressed in more detail in paragraph 2.3 of this report.
- Selby Elderly Persons Forum – Just less than 20 people attended the meeting on the 2 February 2011. Overall comments were supportive of the proposed approach for affordable housing as set out in the SPD. The particular housing needs for elderly people were also discussed, as many people highlighted the need for suitable properties to downsize to and remain in the District.

- 2.3 In total, 20 comments were received in response to the consultation. The following gives an overview of the responses that were received on the SPD. Please note there were some sections of the draft SPD that

attracted little or no comment and thus only the sections that had significant responses will be outlined below:

- **Section 5 – What is affordable housing?** The requirement to update the SPD to reflect the amendments to PPS3 to include the Affordable Rent Model were highlighted, the implications of this are discussed in more detail in paragraph 2.5 of this report.
- **Section 7 – Negotiating the type, size and tenure of affordable housing** A number of comments relating to the affordable housing thresholds set out in Core Strategy Policy CP5 were made but cannot be dealt with as part of the consultation on the SPD. However it is felt that further clarification is required in paragraph 7.7 which deals with the required design and layout of affordable housing units. The requirement for all units to meet the Homes and Communities Agency (HCA) design and quality standards needs to be removed as this is not possible for those units to delivered by the planning obligations form a Section 106 agreement to be entered into by the relevant parties.
- **Section 11- Planning Procedures** It has been noted that it is necessary to further explain how affordable housing will be dealt with in the case of outline applications. Also in light of the newly formed Policy and Planning Groups the procedures relating to who developers will deal with in relation to advice on affordable housing provision will need to be revisited as part of the wider discussion on roles and responsibilities.
- **Section 12 – Rural Exception Sites** There were representations relating to considering taking a more flexible approach to how rural exception sites could be delivered to include market housing in order to provide cross-subsidy for the development of such sites. As part of the work that is involved in progressing this SPD an alternative model of exception site delivery will be investigated.

## 2.4 Changes to PPS3

On the 9 June 2011 the Government published an amended version of Planning Policy Statement 3. The main amendment was in relation to the definition of affordable housing to include Affordable Rent (AR).

The introduction of the Affordable Rent (AR) model is intended to give social landlords much greater freedom to develop and respond to local need. It will be the primary housing product supported by the HCA, and the expectation is that new homes delivered will be via affordable rents or Section 106 opportunities. Grant funding will need to be supplemented by the conversion of existing stock to other tenures, Section 106 use and public sector land opportunities.

Local authorities will be able to contribute to the delivery of the main AR product, but direct provision by local authorities is likely to be late 2011/12. They may also deliver new supply without HCA funding by using their own resources and additional income generated from charging Affordable Rents on new and converted properties and free land.

Local authorities will be required to publish tenancy strategies for their area by April 2012, which Registered Providers will be consulted on and must have regard to. However, this is for guidance only and ultimately it will be for individual providers to decide what types and length of tenancy to offer.

Affordable Rent can be set at up to 80% of the gross market rent, including service charges, but providers can choose to charge lower rates. However the HCA will need to understand how the proposal helps to meet particular housing needs while still delivering value for money and generating the capacity required to deliver new supply.

Providers that enter into a contract with the HCA to develop new supply will be given the flexibility to convert a proportion of social rent properties to AR at re-let, and they will need to set out what that proportion will be.

## 2.6 The next stage in preparing the SPD:

In order to progress the SPD the Access Selby Officers need to address the amendments and additions as set out in paragraph 2.3, in particular work is required on the following areas:

1. Amending relevant sections of the SPD to reflect the Affordable Rent model as set out in PPS3.
2. Further defining the standard of design and layout of affordable housing. At the Informal Executive meeting on the 21 July 2011 it was discussed that the SPD should consider housing for the elderly and provide extra care facilities. Officers have met with the Selby Elderly Persons Forum and comments received will be included in the standards set out in the final document.
3. Consulting with planning colleagues to finalise the procedures relating to providing pre-application advice on affordable housing and on the negotiation of affordable housing as part of outline and full planning applications.
4. Developing a new approach to the delivery for rural exception sites to include a proportion of 'Rural Discount Homes' which would be available to local people at a 25% discount of open market value. This will have the benefit of meeting the objectives of PPS3 in supporting mixed, inclusive communities, allowing those who cannot buy on the

open market in rural villages the chance to purchase their own home and also incentivise landowners to bring land forward as this provides a more attractive financial proposition than the traditional £5,000 per plot model for traditional exception sites. Any properties developed as part of this approach would be protected by a S106 and restrictive covenants in order to ensure the affordability of the property and the eligibility of the occupiers will be protected in perpetuity.

- 2.7 Over the coming months Officers will progress with the above steps however the SPD is closely linked to the progress of the Core Strategy. The Core Strategy was submitted to the Secretary of State in May 2011 and the examination in public is set for September 2011. At present the timetable for adoption of the SPD is awaiting the outcome of the Core Strategy examination and final Inspectors Report due for publication in November 2011. Once the Inspectors comments have been considered a timetable for adoption of the SPD will be made available to members.

### **3. Legal/Financial Controls and other Policy matters**

#### **3.1 Legal Issues**

The report has been prepared to deal with the Council's approach to affordable housing.

#### **3.2 Financial Issues**

- 3.2.1 All costs associated with the production of the draft Affordable Housing SPD have been accounted for in the budget: These include:

- Formal advertisements in the local newspapers.
- Press releases
- All documents available to download from [www.selby.gov.uk/SADPD](http://www.selby.gov.uk/SADPD)
- Attendance at the Tadcaster CEF meeting
- Registered Providers and Developer Stakeholder Workshop
- Attendance at the Elderly Persons Forum

- 3.2.2 Once the SPD is adopted, the planning process will be streamlined, thereby reducing staff time and resources.

The SPD also proposes the collection of commuted sums in lieu of on-site contributions on smaller sites and these monies will be used for the provision of more affordable housing across the District.

### **4. Conclusion**

- 4.1 The draft Affordable Housing SPD, once adopted will complete the Core Strategy policies and provide a mechanism for considering planning applications which include affordable housing. The document will be a material consideration in determining planning applications for affordable housing. Following the public consultation earlier in the year the Council has now considered consultation responses and the

amendments to PPS3. Upon approval by the Executive and Council, officers will continue to progress with the document in advance of the adoption of the Core Strategy.

**5. Background Documents**

Selby District Submission Draft Core Strategy  
CLG Planning Policy Statement 3; Housing

**Contact Details**  
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**Appendix A**

Draft Affordable Housing SPD

**Appendix B**

Schedule of Responses to Consultation on Affordable Housing SPD (February 2011)

## Appendix B Schedule of Responses to Consultation on Affordable Housing SPD (February 2011)

Number	Name	Section	Summary	Response
1	Peter Atkinson CoHo Ltd	5	Need to revise the definition of affordable housing to include affordable rent	Current consultation on amendments to PPS3
		7	Tenure split is too vague. Suggest more social rent to high value areas and vice versa.	This is a good suggestion but would require further work to define the high/low value areas
		4	40% affordable housing is unachievable in current climate. Need a more flexible approach e.g. CYCC	This is a matter for the CS
		9	Definition of profit and what is acceptable to SDC	It would give developers more certainty but do we want to be so prescriptive
2	Smiths Gore on behalf of York Diocesan Board of Finance	4	Threshold of 10 is too low	This is a matter for the CS
		9	In relation to viability, flexibility is required. Offsite provision should be built into the policy text	
		6	Type and size of housing should be negotiated on a site-by-site basis	Agree
		12	Consider open market housing on RSX's to incentivise landowners	Contrary to PPS3
3	HCA	7	Agree with the approach on s106 sites and that RP's involved at an early stage.	

			Would welcome above CSH3 where possible. Need to consider affordable rent Clarify what is meant by level of parking	
			Supports on site provision of affordable housing	Agree
		11	Supports the need for an affordable housing plan	Agree
		12	Support RXS and use of RHE. Would prefer development on PDL or use of empty homes over use of greenfield	Agree on first point. RXS's very rarely pdl. Empty properties difficult to secure with limited grant due to price of property
		General comments	Affordable housing is a key priority within the LIP Supports aim to achieve balance and sustainable communities Welcome an affordable rent model including the use of s106's	
4	Hazel Bramley	12	RXS's are the way forward to provide affordable housing in rural communities	Agree
5	Malcolm Spittle NYCC	General comments	Supports the content of the SPG	Agree
6	Hemingbrough	7	Affordable housing should be	Agree

	Parish Council		integrated It should be for local people to rent or buy There is a need for elderly persons accommodation	
		9	Parish Council and residents should have a greater input to number and type of houses within parish	PC will be consulted
		10	Do not agree with commuted sums especially if money could be used elsewhere	Comment noted. Commuted sums will only be used in exceptional circumstance. In case of less than 10 dw. Unlikely there will be a sufficient sum to spend in Hemingbrough only These are confidential
		11	The PC should be involved in pre-app discussions	
		12	Object to a development of only affordable housing	RXS only acceptable for affordable housing in accordance with PPS3
		General	Additional services required in	Noted

		comments	Hemingbrough	
7	Carter Jonas	7	<p>Object to the tenure split as they will differ across the district Also need to include affordable rent</p> <p>Do not support requirement for SDC to nominate the RP Developers should be able to select their own</p>	<p>SDC will provide a list of the RP's that currently work in the District. The developer will be able to select from this list. With set transfers there will be no advantage in working with any particular RP</p> <p>Support the proposal to define local connection.</p>
		8	Object to setting of transfer prices which lead to viability issues and does not take into account the costs of developing an individual site	Transfer prices prevent bidding between RP's. Approach is supported by RP's, the HCA and indeed some developers as they prefer the certainty of transfer prices
		9	<p>Unreasonable for applicant to fund independent verification of financial viability.</p> <p>If required to do so they should choose the independent assessor</p>	<p>This will only be the case if the target of 40% affordable housing is not proposed</p> <p>If the applicant selects the advisor it would not be independent</p>
		11	Unreasonable to require payment for pre-app	Not a matter for the SPD

			discussions  If Council requires pre-app payment and for assessment of financial viability then the costs should be covered in the appraisal by a proportionate amount	
		General	Procedures are onerous and will stifle housing development	
8	South Yorkshire HA	7	Is 40% affordable viable?  Under 10 units means that rural schemes will not have on site provision          If HCA minimum standards they will be larger and therefore not indistinguishable	A matter for the CS  Smaller thresholds were found not to be viable. Commuted sums can be spent in the rural areas          Delete HCA standard
		8	Will not prevent seeking prices from several RP's as only a guideline.	

			However should remain as a guide due to variables	
		9	Interesting to see how developers will deal with this issue	Noted
		10	Surprised that 1 unit could not be provided from 9 dwellings	EVA advised less than 10 threshold would not produce one unit on site
		General	Many changes in delivery of affordable housing including house prices, affordable rents, mortgage availability, therefore difficult to set out a procedure which is acceptable to all	Noted
9	James Perry	7	Fairburn is the wrong location for more affordable housing as there is sufficient to meet needs	Individual parish requirements are not a matter for the SPD
		9	Matters relate to the SADPD	
		10	Commuted sums in lieu of affordable housing in Fairburn would not be acceptable	Individual parish requirements are not a matter for the SPD
		11	Matters relate to pre-application discussions on Fairburn sites	Individual parish requirements are not a matter for the SPD
		12	A proper procedure needs to set out when RXS's will be considered and whether	CS and section 12 set out the circumstances where RXS's will be appropriate

			green belt is appropriate for this purpose	
10	Barton Willmore	2	Object to the procedures as the SPD should be delayed until CS adopted	This is the intention
		6	Overall housing numbers need to be increased above RSS requirements	A matter for the CS
		7	There is no paragraph 7.1  Amend 7.4 to exclude the part relating to sites forming part of a more substantial development  No definition of high standard of design and amenity. Should include a policy to encourage building for life standards	Amend!  This paragraph is intended to ensure that developers do not 'get round' their affordable housing requirements by developing sites in phases under the threshold  Agree – needs amending
		9	Delete parts of 9.1 as developers know this already  Clarification on earliest opportunity to submit a financial appraisal	Disagree no deletions  Agree timescales with DM

			Support 9.6	Noted
		10	Object to wording	Agree this could be made clearer and amend
		11	Not necessary to include term prior to land acquisition stage  Validation requirements are duplicated	No amendment  It re-enforces what is required to validate
11	Cunnane Town Planning	7	7.5 The requirements of the RP should be included	Agree and amend
		9	Cost of independent valuation should be agreed by both parties.	??
		10	5% admin fee is not justified and would not stand up to scrutiny	Need a legal opinion
12	Brayshaw Properties	General comments	SPD should include and encourage self-build projects	Is this a matter for an SPD
13	English Heritage	General comments	No comments	
14	Taylor Wimpey	7	7.5 Site and local characteristics should be included  7.7 internal spec may differ  7.7 Comment on HCA D and Q standards	Agree and amend  No need to amend  After consultation with RP's delete as with no grant, housing standards will not be to HCA standard

		<p>7.8 Wishes of RP's preference over pepper-potting</p> <p>7.10 Agree with local connection but to SDC residents only</p> <p>7.12 Is there a cap on acceptable service charges</p>	<p>After consultation with RP's prefer clusters of 2 and 3 properties – amend to reflect</p> <p>Choice based lettings will cover NY therefore need to ensure SDC connection in s106</p> <p>Only that the properties should remain affordable based on house prices/rents and incomes. Possibly add sentence to clarify</p>
	8	<p>Transfer prices should be price per sq metre</p> <p>Are transfer prices a capped or indicative</p> <p>Clarity that prices are index linked</p>	<p>After consultation with RP's developers do not use same calculations.</p> <p>Indicative – need to clarify</p> <p>Agree</p>
	9	<p>What is acceptable level of profit</p>	<p>Not a figure to be included in the SPD</p>

			<p>Clarity on who would assess viability</p> <p>S106 costs should be included in viability</p> <p>Is there a preference for affordable housing or other s106 payments</p> <p>Onus to demonstrate 40% is not achievable is placed on the developer but it should be on the LA to prepare and fully justify the viability of the policy</p>	<p>An independent source eg DV</p> <p>Noted could amend to clarify</p> <p>Each case would be on its individual merits</p>
		11	<p>If less than 40% agreed prior to land acquisition this should be agreed as the principle for the site moving forward</p> <p>What if no RP at outset</p>	<p>Agree</p> <p>Developer requested to advise of RP partner. No change</p>

			Is there a pro forma for s106	Heads of Terms as set out in Appendix of SPD
			Requirements for outline applications	Agree this needs to be explained
		General comments	Viability equation??	Need to ask objector to clarify
			SHMA must be kept up to date	Agree SPD will be updated when NY SHMA published
15	Dacres Commercial	2	Fails to follow guidance in PPS3	
		3	Needs to be updated regarding PPS3 consultation on affordable rents	Agree – will amend when PPS 3 amended
		4	Comments on 40% requirement and 10 dwelling threshold	Relate to CS CP5
		5	Definition of affordable housing – see above	Agree – will amend when PPS 3 amended
		6	Evidence from SHMA – various points	May need to include
			Considers affordable housing to be located only in higher	Fails to understand reasons for providing affordable housing in rural villages and ability to

			order settlements with good access to jobs and transport	retain services, keep social links etc. Most occupants of affordable housing require a car wherever the location
		7	Object to 40% target  7.4 Should include table in SHMA  50:50 split should be included  7.7 Clarification on standard of design and quality   Pepper-potting RP's include clusters   7.9 Partnering with RP's is unworkable	A matter for the CS  Figs could be included  This is not directly evidenced from SHMA  Agree needs amending to include d and q the same as market housing   Clusters of 2 and units – this could be specified in the text   RP prefer to be involved at early stage. Need to keep this requirement
			7.11 Object to requirement for s106 to be submitted with a planning application	Heads of terms to be submitted – need to clarify in text
			7.12 Service charges not	They can affect affordability and are therefore a

			relevant	consideration in determining the application
		8	Transfer prices too restrictive and result in unviable sites	They have been agreed with RP's to represent prices they are able to pay
		9	More information on how viability will be assessed	Need DM input
		10	10.1 Support 10.2 needs amending 10.7 Object to admin fee	Noted Agree Need legal advice
		11	11.2 – Re-write to provide a better approach	Maybe – need DM input
		12	No case for an RXS	Noted but no reason given
		Appendices	To be re-written in light of previous comments	Need to be re-viewed, particular input from DM required
16	Jean Bills	7	Variety of housing required especially bungalows for elderly people Local connection to the parish is important	Agree
		9	The community should be involved in negotiations	Difficult to involve community directly in s106 negotiations regarding development viability. However local needs from evidence base will feed into the negotiations. PC will be consulted as part of the DM process
		10	Commuted sums in lieu of affordable housing units on the ground should be used in that particular parish	If sums are time limited then would be difficult to ensure they are spent in a particular locality as would depend on suitable land/properties becoming available in that locality

		11	Pre-application discussions should involve the local community	Pre-application discussions are confidential
		12	Support required from local community  Limit of 3,000 population unfair  Local need should be identified	Agree  Settlements defined in Statutory Instrument (covers most parishes in Selby)  Agree
		General	Summarises above points	Noted
17	DLP Planning	1	The document appears to say that all affordable housing needs will be met and suggest changes which highlight the CS provisions and the government projection for new housing	Not a matter for the SPD
		4	Objects to 40% requirement	A matter for the CS
		7	Delete the para regarding funding from HCA  Object to local connection as too restrictive	This paragraph only supplements the statement that cross subsidy from market housing will be the main mechanism for delivery but recognises in exceptional circumstances there may be funding to increase the number of units  The local connection has been made flexible but endeavours to ensure that affordable housing

				delivered, particularly in the rural areas meets the need of that local community
		9	Object to the applicant bearing the cost of independent appraisal Require amendments to text	Agree
18	Jenny Hubbard	7	Innovative ways are required to increase the supply of affordable housing e.g. trusts, landowners  Local connection needs to be defined  Need guidance for outline application	We should add to text  Text already defines in general terms. Each case on its merits and included in the s106  Agree – need a section on this
		10	There are many circumstances where commuted sums could be taken in lieu of on site provision  10.4 If on-site provision on less than 10dw is	Do not agree  Yes - needs an additional sentence

			viable could this take place Clarification on admin fee Use of funds for additionality on s106 sites	Seek legal advice Would be included – do we need to be explicit in the text
		11	Need clarification on outline applications	Agree need additional para
		12	More flexible approach with variety of providers Group settlements together to provide a RXS Cross subsidy with market housing Use commuted sums to increase price paid to landowners	Could include CLT's etc Depends if close links between villages Contrary to PPS3 Uncertain that commuted sums could be used in this way
		General	SPD is premature prior to CS being adopted with settlement hierarchy More flexible financial arrangements	SPD will not be adopted prior to adoption of CS Perhaps should be mentioned in general terms as less funding will make the need for new financial models etc

			Mix of affordable housing required not just for families	Agree
19	Daniel Gath Homes	10	Need more information on levels of financial contributions on smaller sites	The equation sets out how this will be worked out but not possible to give figures, depends on market values
		9	What level of profit does the Council expect	Not for the Council to set out in the SPD
20	Constance Baker	7	A variety of affordable housing types and sizes is required	Agree
		12	Housing should be for local people	Agree
		General	Money from sale of affordable housing should be recycled for more affordable housing	RP's required to do this