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# Craven District Council

**Consultation Paper 2:** 

# HOUSING STRATEGY & DISTRIBUTION

19<sup>th</sup> June – 31<sup>st</sup> July 2006

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# Housing Strategy & Distribution

# 1. KEY ISSUES

## Conference Outcomes

During the Shaping Places and Spaces conference delegates were asked to consider the following questions:

Where should new housing development be located?

- 80% of delegates felt that new housing development should be developed in locations that meet local need.
- 52% of delegates felt it should be in locations where there is a good supply of previously developed land and
- 25% felt it should be located in areas where the housing market is strong.

In addition:

- It was considered that new housing development should be dispersed throughout settlements.
- As within the context of the Settlement Strategy, the issue of achieving sustainable communities was identified in terms of providing new housing close to existing employment opportunities and transport links. As a result the need to protect existing employment uses was identified as an important issue for the LDF to address.
- The potential for new housing to be located within smaller settlements was also raised as being a key issue. It was considered that there is a real need for local-needs and key worker housing and that this need could be met through infill development within existing settlements together with the release of exception sites for affordable housing where appropriate on the edges of settlements.
- Conversely however one view related to the need to maintain and protect settlement character by not allowing infill development.

# Where in settlements should new housing be built?

- Delegates felt that it was important to build new housing:
  - on land that is not liable to flooding;
  - where it would not affect the historic character, setting or the environment of the settlement;
  - and in locations where schools, with available places and community facilities are available.

In addition it was identified that:

- The underused space above shops has potential for future housing development.
- New housing development should be located close to jobs and shops, public transport or where residents can help support existing local services.
- New housing should not be located on contaminated land or existing employment land.
- Pressures on existing infrastructure should be considered in determining the location of new housing development, along with

whether new or improved infrastructure would be required to serve the development.

What size and type of new housing should be built in the future? In terms of the types of housing required, it was considered that:

- this should be based on need rather than market forces; and
- *"high quality executive housing"* should only be built to stimulate a slow market.

In addition:

- The need for affordable housing within the plan area was identified as a key issue. 87% of delegates identified local needs housing to be the top priority in terms of future provision.
- This was followed by the need for affordable housing for those on low incomes to rent or purchase; and then
- The need for 1 and 2 bedroom dwellings for single people or small families.

In terms of other housing needs:

- 59% of delegates felt there is a need for lifetime housing that can be adapted to meet special needs.
- 58% identifying the need for housing that is suitable for older people.
- The types of housing that were given the least priority in terms of future provision were 3 or 4 bedroom family housing and high quality executive housing.

In terms of density of new housing development:

• It was recommended that a density hierarchy based on the size and character of each settlement should be considered.

# Should the LDF promote a mix of tenures i.e., open market housing and discounted for sale properties within new housing development as opposed to development of single tenure?

- 82% of delegates agreed that the LDF should promote a mix of tenures to meet need including shared equity for older person's housing.
- In order to maintain, protect and achieve a mix of tenures, for example rented housing, close links with Housing Associations should be achieved.

# Are there any other housing related matters which require policy guidance in the LDF?

Other matters identified include the following:

- Provide for a mix of housing including smaller properties for older people to downsize and single people to accommodate, as well as properties for families.
- Need to preserve existing historic buildings.
- Provide up to date policy guidance relating to design of new housing, encouraging mix use developments and relating to the provision of affordable housing, which should remain affordable.
- Need for policy to be quickly updated to react to market changes and need.

- The need for community involvement and professional verification during the process of preparing Parish Housing Need Surveys.
- Need to address the issue of second home ownership within the plan area.
- Environmental concerns should be given high priority.

# 2. SUMMARY OF NATIONAL & REGIONAL PLANNING CONTEXT: What the Local Development Framework Can and Cannot Influence.

National and regional planning policies and guidance contribute to the context in which the LDF and, therefore, this topic paper are prepared.

The Regional Spatial Strategy (RSS) for Yorkshire and the Humber has the role of setting out the level of new housing to be provided in the region, where it should be located and the level of affordable housing required. Policy H1 of draft RSS proposes that for the plan area the following average annual rates of housing provision for the following periods:

2004-2011:	250 dwellings per annum
2011-2016:	200 dwellings per annum
2016-2021:	180 dwellings per annum

Regional Spatial Strategy therefore is quite specific in respect of how new growth should be distributed. If these housing requirement figures are approved and form part of the adopted RSS this level of housing growth will be set and achieved through LDF policies including the overall spatial strategy set out within the Core Strategy.

Draft RSS policy H3 relates to securing affordable housing. This draft policy sets a site size threshold of 15 dwellings or 0.5 hectares above which a proportion of affordable housing should be sought as part of a development proposal. In rural areas however there is scope to reduce site size thresholds were appropriate. It also states that in areas of high affordable housing need, which includes Craven District, the proportion of affordable housing to be sought should be at least 40%.

Once approved these RSS policy approaches would not be something that the Local Development Framework can influence.

Section 3 of this paper provides further detail in respect of the national and regional planning context relating to this topic paper.

#### 3. OPTIONS

Based on the issues identified through the Shaping Places and Spaces Conference the following options relating to housing have been formulated.

#### A. The Location of New Housing Development

The broad direction and distribution of growth within the plan area, including new housing, will be determined by the Settlement Strategy (Consultation Document 1). The options below relate to the location of individual housing developments within that overall strategy and the primary determining factors in site selection:

<u>Option 1:</u> 'Doing nothing' – The location of new housing development is determined in response to market forces.

<u>Option 2:</u> The location of new housing development is determined in response to housing needs within the plan area, identified through up-to-date Housing Needs Assessments.

<u>Option 3:</u> The location of new housing development is determined by the need to minimise impact on the environment (e.g. on land not liable to flooding or affecting the historic character, setting or environment of a settlement).

<u>Option 4:</u> The location of new housing is determined according to the principles of sustainable development (e.g. the availability of previously developed land / redundant or underused spaces, employment opportunities and transport links).

<u>Option 5:</u> An integrated approach, in which weight is given to the market, housing needs, the environment and sustainability in determining the location of new housing development.

Option 6: A different approach.

In response to the question of whether the LDF should promote a mix of tenures in new housing development, the conference gave a clear indication that the LDF should promote a mix of tenures and that close links with Housing Associations should be achieved. Furthermore, in response to the question of what size and type of new housing should be built, the conference gave a clear indication that this should be based on need rather than market forces and that the highest priority should be given to affordable housing\* for local people.

\*Affordable housing is generally for households lacking their own housing (or living in housing which is inadequate or unsuitable) who are unlikely to be able to meet their needs in the local housing market without some assistance. They are part of the population that is not included in market demand because they have insufficient income to satisfy their needs by accessing suitable market housing.

#### B. Achieving a Mix of New Housing

In order to achieve a mix of new housing, emphasis should be placed on:

<u>Option 1:</u> 'Doing nothing' – allowing the open market to determine the mix of housing provided on development sites. *This would mean withdrawing current controls*.

Option 2: Requiring a mix of types, sizes and tenures of housing and a mix of market and affordable housing, on development sites. *The required mix* 

would be based on an up-to-date Housing Needs Assessment. It would be necessary to set a size threshold for eligible sites (RSS suggests 15 units/0.5ha and above) and the percentage of affordable units to be provided (RSS sets minimum of 40%). The involvement of Housing Associations would be likely, but not essential.

<u>Option 3:</u> Facilitating the release of more sites for 100% affordable housing for local people through an Exceptions Policy. *Exceptions sites would not normally receive planning permission for housing and therefore have reduced value, allowing discounts to be passed on to occupiers. Such a policy would involve allocating specific sites for this purpose and would be based on an up-to-date Housing Needs Assessment. Exceptions sites normally involve Housing Associations. No market housing is provided.* 

Option 4: A combination of Options 2 and 3 above.

Option 5: A different approach.

#### C. Requiring the Provision of Affordable Housing

In order to establish when a mix of open market and affordable housing is to be provided and how much affordable housing is to be provided, it is possible to set a minimum size threshold for eligible sites and a minimum percentage of affordable provision on those sites. In setting thresholds and percentages, emphasis should be placed on:

<u>Option 1:</u> 'Doing nothing' – allowing the market to determine the level of affordable housing on development sites.

<u>Option 2:</u> A single threshold and percentage applied universally across the plan area. *This could be set at the RSS level or could be based locally on an up-to-date Housing Needs Assessment.* 

<u>Option 3:</u> Different thresholds and percentages for settlements or groups of settlements, according to their population size. *For example, smaller settlements could have lower thresholds and larger settlements could have higher percentages*.

<u>Option 4:</u> Different thresholds and percentages for settlements or groups of settlements, according to their level of need. *The level of need would be established by an up-to-date Housing Needs Assessment.* 

<u>Option 5:</u> A combination of Options 3 and 4 above. Where both settlement size and need are taken into account.

<u>Option 6</u> [Supplementary]: A "Zero" Threshold. Setting a site-size threshold at "zero" means that all housing development sites are required to make a contribution towards affordable housing irrespective of their size – from a single plot to a large estate. This supplementary option would amend Options 2 to 5 above, to include a "zero" threshold. Option 7: A different approach.

# 4. INFLUENCES: HOUSING

#### National Planning Policy Context

#### Planning Policy Statement 1: Delivering Sustainable Development:

aims to enable the provision of homes and buildings, investment and jobs in a way which is consistent with the principles of sustainable development.

**Planning Policy Statement 12: Local Development Frameworks:** and its Companion Guide spells out Government policy and guidance on preparing LDFs.

**Planning Policy Guidance Note 3 (PPG3): Housing** sets out the Governments policies relating to the provision of housing and sets out that Planning Authorities should:

- Address the housing needs of the whole community, including low income and special needs groups.
- Provide a wider variety of housing in terms of size, type and location, and seek to create mixed communities.
- Give priority to building on previously developed land rather than greenfield sites.
- Create more sustainable patterns of development by maximising public transport use and minimising car usage
- Promote good design in residential developments
- Promote mixed land us es in order to minimise the need to travel
- Make more efficient use of land

PPG3 also includes policies relating to delivering affordable housing in order to achieve a mix of housing types and to meet the needs of local people. The need to provide affordable housing in rural areas such as the plan area is a key challenge for the LDF. PPG3 stresses the need for local planning authorities to provide adequate housing provision in rural areas to meet the needs of local people. Affordable housing provision in rural areas should be supported by a rural exception policy, which would allow small sites to be released for development of affordable housing on land within or adjoining existing small rural communities, which would not otherwise be released for general market housing.

An update to PPG3 was published in January 2005. This update related to supporting the delivery of new housing and to planning for sustainable communities in rural areas. In addition a consultation paper titled Planning For Housing Provision was issued by the Government in July 2005. The Government intends to publish a draft Planning Policy Statement 3 in the autumn of this year. As such regard will be had to existing PPG3 and emerging PPS3 in terms of preparing the Core Strategy.

# Regional Housing Strategy

The Regional Housing Strategy is currently being reviewed and together with the Regional Spatial Strategy will look at the need for housing from a regional perspective. The Regional Housing Strategy will set priorities for funding both affordable housing and also projects in areas where demand is low.

# Draft Regional Spatial Strategy

Draft RSS as approved for the purposes of consultation contains a suite of policies regarding strategic aspects of housing provision. Of particular significance to this issues and options paper however are draft RSS policies relating to overall levels of housing growth and the key issue of affordable housing. These are reviewed below.

Policy H1 of draft Regional Spatial Strategy proposes that for the district outside the National Park area the following average annual rates of housing provision for the following periods:

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2004 – 2011	250 dwellings pa
2011 – 2016	200 dwellings pa
2016 – 2021	180 dwellings pa

Draft RSS contends that a higher rate of housing growth for the period to 2011 is required on the basis of:

- Recognition of the high need for affordable housing within the District;
- The time required for RSS policy interventions to work and;
- The fact that mechanisms other than the planning system are likely to become available to secure affordable housing.

From 2011 onwards draft Regional Spatial Strategy proposes that the overall rate of housing growth is progressively restrained in recognition of the three points above.

In respect of securing affordable housing, draft policy H3 of submission version RSS addresses the issue. The draft policy sets a strategic context for the development of policy approaches within the LDF. Key aspects of the draft policy include:

- A site threshold of 15 dwellings or 0.5 hectares above which a proportion of affordable housing would be sought as part of a development proposal;
- In areas of high affordable housing need (such as Craven District), seeking the provision of at least 40% affordable housing as part of a development proposal;
- In rural areas, the scope to reduce site size thresholds where the provision of affordable housing would be sought and;
- The scope to secure payments in lieu where on-site provision is not possible (e.g. a site may be too small)

In terms of influencing an emerging strategy in respect of housing, draft RSS will clearly be significant as a strategic context is provided for the development of more refined policy interventions at the local level. It is acknowledged that RSS policies are draft and are yet to be tested via the examination process. Notwithstanding this, emerging RSS policy is a suitable basis upon which LDF policies could be developed and taken forward.

# Evidence Base

## **District Wide Housing Needs Assessment**

The 2005 Craven Housing Needs Assessment involved a survey of 21,406 households (5,265 or 24.6% questionnaires returned), interviews with interested parties (e.g. estate agents, developers, Supporting People), consultation with parish councils, analysis of secondary data, and research into Black and Minority Ethnic (BME) groups. Some key findings on the issue of affordable housing are presented below.

Summary Affordability Requirements April 2005 – March 2010

General		Older Person		Total Per Annum
1-2 Bed	3+ Bed	1 Bed	2 Bed	
220	4	18	46	288

	Requirement Per Annum	Craven LDF	YDNP (in Craven) LDF
Total	288	213 [238*]	75 [50*]

\*Discussions regarding possible adjustment through greater focus on market towns just outside the Yorkshire Dales National Park border.

Tenure of Affordable Dwellings Needed

Social Renting	70.8% (204)
Intermediate Tenure	29.2% (84)

Housing need is defined in the following way,

"Households lacking their own housing (or living in inadequate or unsuitable housing) and unlikely to meet their needs in the local housing market without some assistance\*". \*Usually financial.

# Craven District Council's Housing Strategy 2004-2007

The issue of new housing development and the need to address the Council's commitment to meeting local housing needs will form a key part of the overall land use strategy for housing set out within the Core Strategy.

The Council's Housing Investment Strategy aims to highlight the key strategic direction and priorities for the future of housing in Craven. The strategy sets out the following vision:

#### "To ensure that every household in the District has the opportunity to live in a decent, affordable and secure home suitable to their needs."

The aims and vision of this strategy has implications for development and use of land for housing.

# Adopted Local Plan Policy Approach to Provision of Affordable Housing

The Council will currently negotiate for the provision of an element of affordable housing on new housing sites of 1 hectare or more, or yielding 25 dwellings or more within the District Centre of Skipton and the Local Service Centres. Where there is exceptional need within these settlements the Council will negotiate for the provision of affordable housing on site below this threshold. The starting point for negotiations on the proportion of affordable dwellings on new housing sites is 40%. The target for affordable housing delivery closely relates to the overall housing supply figure and what can realistically be negotiated with developers. PPG3 as updated in January 2005 states that in small rural communities, local planning authorities to allocate or release small sites within and adjoining existing small rural communities, which may be subject to policies of restraint and would not be released for market housing.

#### **Urban Potential Study**

The Urban Potential Study for Craven District outside the Yorkshire Dales National Park was produced in September 2003. It represents a comprehensive and rigorous assessment of the amount of land that could potentially come forward for residential development up to 2016.

In assessing urban potential the plan area was divided into the sub areas of Skipton and Sub Area, South Craven Sub Area, Settle and Sub Area, and North Craven Sub Area. Those settlements within each sub area that have a broad range of services, offer a range of employment opportunities and have well established public transport links were surveyed to establish land that may be suitable for residential development. The identified sites were then assessed against a series of reality checks such as existing physical, policy and market constraints in order to predict the number of sites that may realistically come forward for residential development up to 2016.

The Urban Potential Study identified a range of sites throughout the plan area with an estimated capacity of 1854 dwellings for the period 2002-2016. Given the priority set out within PPG3 to build new housing on previously developed land rather than greenfield sites the location of the urban potential will therefore be key in terms of informing the overall housing strategy.

Draft Regional Spatial Strategy sets a previously developed land target of 70% for Craven. The Urban Potential Study will inform whether this percentage is realistic and achievable. It should be noted that the Urban Potential Study provides a snapshot of the situation at 2003. The study is continually monitored in terms of development of land identified, however in order to provide an up to date picture of urban potential at 2006 a review of the study would be required.

# 5. HOW TO PARTICIPATE

The options and questions contained within this document are set out on the Housing Strategy and Distribution Response Form, which is attached.

Please send your comments and responses to the Council by **Monday 31<sup>st</sup> July 2006.** 

- It would he helpful to the Council if you could complete the attached Response Form and sent it, within the prepaid envelope to:
  - Planning Policy Craven District Council Council Offices Granville Street Skipton North Yorkshire BD23 1PS
- Alternately the response form can be completed online via the Via the Council's website <u>www.cravendc.gov.uk</u>
- Whilst the use of the response form is encouraged, the Council will
  also accept comments sent by Email to <u>Idf@cravendc.gov.uk</u>

All responses will be recorded and then considered by the Council in moving to the preferred options stage of preparing the Core Strategy Document.