

**Craven Local Plan
Inspector's Matters, Issues and Questions for Examination**

Matter 3 – Affordable Housing Need (Policy H2)

Issue 1 – Definition of Affordable Housing

Q1. Does the Plan include a definition of affordable housing? If not, in order to be effective should one be included?

1. The NPPF provides a definition of affordable homes, it would be appropriate for the Local Plan to refer to this, this may be preferable to the text currently contained within paragraph 6.14 of the Plan. The HBF do not consider it is necessary to reiterate the NPPF definition within the plan.

Issue 2 – Affordable Housing Need

The SHMA states that there is an annual imbalance of 126 affordable dwellings per year. This is expressed as the overall need from the housing register compared with the current supply of affordable housing. In response, Policy H2 requires a minimum of 30% of dwellings on qualifying sites to be affordable.

Q1. What is the difference between the affordable housing need identified in Policy H2, and the uplift applied to the demographic starting point to reflect affordability issues in Policy SP1?

Q2. What is the justification for requiring 30% affordable housing on qualifying sites? What is this based on, how was it calculated and what alternatives were considered?

Q3. Based on the requirements for qualifying developments to provide 30% affordable housing, how many affordable homes is the Local Plan expected to deliver?

Q4. How does this compare to the identified need?

Q5. How does this compare to previous performance? How many affordable homes have been provided as a percentage of total output over the past 5-10 years?

Q6. The PPG states that an increase to the total housing figures should be considered where it would help deliver the required number of affordable homes. Has an uplift to the housing requirement for this reason been considered? If so, where is this set out?

Q7. What is the justification for requiring proposals of 6-10 dwellings on greenfield sites in designated rural areas to make an equivalent financial contribution?

2. The SHMA suggests a 20% uplift to the demographic requirement to take account of market signals and affordability. This affordability appears to relate to the house price ratio and rental affordability ratios, rather than the need for 'affordable housing'. Policy H2 appears to be based on the 'affordable housing' need, e.g. housing for households who are unable to access suitable housing without financial assistance. The SHMA does not suggest an adjustment to take account of the need for affordable homes.
3. The SHMA identifies an imbalance of 126 affordable dwellings each year and suggests that a policy seeking 30% of new homes to be affordable will address a 'considerable' proportion of this need. Given the housing requirement of 230 net additional dwellings, and that the affordable housing policy only applies to greenfield sites of 11 dwellings or more, or 6 or more in designated rural areas, it seems unlikely that the imbalance will be considerably addressed. However, in determining the appropriate policy the Council will also have had to consider the viability of development in providing these affordable homes. The NPPF is clear that the derivation of affordable housing policies must not

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only take account of need but also viability. Paragraph 173 of the NPPF established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened.

4. The HBF has concerns in relation to the language used in the policy, particularly reference to 'exceptional circumstances', it would be more appropriate to refer to the viability of development, as this is most likely to be the reason for the need to reduce the provision of affordable housing. The HBF proposes that the policy is modified as follows: '*Development proposals that seek to provide a lower level of affordable housing contribution will ~~not be~~ **only** be acceptable ~~unless~~ **where** it can be ~~clearly~~ demonstrated that **the development would not be viable unless the exceptional circumstances exist which justify a reduced** affordable housing contribution **is reduced**'.*

5. The Planning Practice Guidance (PPG) (ID: 23b-031) is clear that '*in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty*'. This is in line with the Written Ministerial Statement (WMS) (Nov 2014), which also stated that for 5 units or less affordable housing contributions should not be sought and that for 6 to 10 units contributions should be sought as cash payments to be commuted until after completion of units.

Issue 3 – Viability

Q1. How have the residential typology assumptions been defined in the Local Plan Viability Assessment and Local Plan Viability Assessment Addendum Report?¹² Do the scenarios for Skipton (up to 290 units) and the rest of the District (up to 150 units) reflect the allocations in the Plan?

Q2. How have existing use values been determined? Are they based on appropriate available evidence?

Q3. How have infrastructure costs and other contributions been taken into account in the calculation of scheme viability?

Q4. Is the 30% affordable housing requirement viable for all types of housing, supported by viability evidence?

1. The HBF would provide a note of caution in relation to existing use values and highlight that in order for housing to be delivered it will be important to ensure that the land values achieved are sufficient to ensure that land is brought to the market.

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2. Whilst the HBF consider that the 30% requirement is an improvement, caution needs to be taken over the language used within the policy which identifies this as a minimum requirement. The HBF considers that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high. This is in line with paragraph 173 of the NPPF (2012) which established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened.