



**PRE-DRAFT**



**REGIONAL SPATIAL STRATEGY  
(RSS)**



**TOPIC PAPER 3:**



**HOUSING**



**Consultation  
Winter 2004/05**





## Foreword

The Yorkshire and Humber Assembly has reached another crucial stage in the development of 'PLANet Yorkshire and Humber' - the new Regional Spatial Strategy (RSS). A draft of the new RSS is to be submitted to Government by the end of April 2005.

In preparing the new draft RSS the Assembly is committed to involving as wide a range of organisations and individuals as possible. The preparation process for the new draft RSS therefore provides for two specific periods of public consultation *before* a new draft RSS is prepared and submitted to Government. This is in addition to the continual involvement of many partners in the technical work for the new RSS.

The first consultation document - 'Draft Spatial Vision and Strategic Approach' (July 2004) - considered the overall approach that should guide the preparation of the new RSS (particularly the role of sub-areas), key issues facing different parts of the region and possible responses to these issues.

We have now reached the second stage of consultation. This is based on the need to consider in more detail how we can develop a clear spatial strategy for the region that takes into account all of the issues identified in the RSS Project Plan ('Shaping the Future', January 2004). This second stage of consultation is therefore structured around a series of 'topic papers', of which this is one. The full list of topic papers is:

Topic paper 1:	Introduction to Pre-Draft RSS
Topic paper 2:	Spatial Options
Topic paper 3:	Housing
Topic paper 4:	Economy
Topic paper 5a:	Freight
Topic paper 5b:	Strategic Public Transport
Topic paper 5c:	Public Transport Accessibility
Topic paper 5d:	Demand Management
Topic paper 5e:	Aviation
Topic paper 5f:	Transport Investment Priorities
Topic paper 6:	CAP reform
Topic paper 7:	Energy
Topic paper 8:	Water
Topic paper 9:	Sustainable Tourism
Topic paper 10:	Forestry
Topic paper 11:	Biodiversity
Topic paper 12:	Culture
Topic paper 13:	Health
Topic paper 14:	Education
Topic paper 15:	Minerals
Topic paper 16:	Sustainable Waste Management
Topic paper 17:	Retail and Leisure
Topic paper 18:	Monitoring

Please bear in mind that these topic papers are raising many challenges that policies in the new RSS will need to address. The topic papers do not include draft policies and there will need to be a great deal of integration across topic areas before the policies are drafted. The purpose of this stage of consultation is to receive feedback on what direction you think RSS policy should take.

**Please note that these topic papers have not been endorsed by the Assembly, or its advisory body the Regional Planning and Infrastructure Commission. They do not represent Assembly policy but give an important opportunity for a wide range of stakeholders to feed in to the further development of the new RSS for the Yorkshire and Humber region.**

### **Your comments**

We would like your comments on these topic papers. You can answer the questions that we ask in the papers or you can send us your general comments.

We need to hear from you by **Friday 25 February 2005** so that your views and ideas can be taken into account as we prepare the new draft RSS to submit to Government.

### **Please send your comments to**

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All the topic papers and accompanying documents can be found at [www.yhassembly.gov.uk](http://www.yhassembly.gov.uk)

### **Strategic Environmental Assessment/Sustainability Appraisal**

At each stage of the development of the new RSS, a Strategic Environmental Assessment/Sustainability Appraisal (SEA/SA) is being carried out. At this stage, this appraisal has particularly concentrated on Topic Paper 2 – Spatial Options. The report of this appraisal is also available from the Assembly.

### **Any queries**

If you have any queries about the topic papers, or any aspect of RSS, please call the Regional Planning and Transport team on 01924 331590.

## **Topic Paper 3: Housing Scale and Distribution, and Affordability**

### **Introduction**

1. RSS and the Regional Housing Strategy (RHS), which is currently being reviewed, have together to address the need for housing in the region. In addition RSS will address the spatial distribution of housing in the region. The reader may find it helpful to consider this paper alongside Topic Paper 2, *'Spatial Options'*, as it sets the housing issues in a wider context

### **Background**

2. When submitted to Government in April 2005, Draft RSS will need to include specific information on the provision of housing. This includes
  - Net Housing Figures for each local authority district, broadly derived from the number of new households forming in the region
  - Additional houses required to replaced those which are likely to be demolished during the time period of RSS (i.e. up to 2021)
  - Any reduction in the overall number of new homes needed arising from reducing the vacancy rate in the existing housing stock.
  - Having taking account of the points set out above provide a figure which identifies the number of new homes required to be built – the Gross provision.
  - All of these figures are to be provided for each metropolitan district, unitary authority and shire district.
  - A regional target for the provision of affordable housing
  - Policies to facilitate the delivery of affordable housing
3. In addition the approach taken to the provision of housing in RSS needs to take account of the impact of other related strategies. The RHS, which is currently being reviewed, is arguably the most important of these strategies. The RHS will determine public funding priorities for the provision of affordable housing (particularly in areas of high housing demand), and interventions to address low demand (in particular the 'Pathfinder' initiatives in Hull and South Yorkshire). RSS needs to compliment this with appropriate policy responses to address both affordability and low demand.
4. The current RSS (based on the Selective review of RPG12 and approved in December 2004) does not make any changes to the approach to the

scale and distribution of housing or to provision of affordable housing that was incorporated in the RPG as approved in October 2001.

5. RSS sets out in policy H1 the distribution of housing in the region and provided requirement figures for each of the Joint Structure Plan areas and the individual Metropolitan Districts which produced Unitary Development Plans.
6. At the time of its original preparation existing RSS was subject to criticism regarding the absence of an explicit process for determining the scale and distribution of housing. To address these concerns the project Plan for the new RSS recognised the need to make explicit this process and consultants were commissioned to provide a model that would achieve this aim.
7. RSS sets out in Policy H4 that targets for the provision of affordable housing should be developed through local needs assessments. It also suggests that in high demand areas consideration should be given to applying lower size thresholds for development sites (on which affordable housing would be sought) than those in Government Circular 6/98 where the evidence could justify it.
8. In the supporting text at paragraph 6.37 of RSS an indicative estimate of the number of affordable homes required is set as 4,000 per annum, or 27% of the total housing requirement. It suggests this should be used as a benchmark for annual monitoring. The average annual rate of completions of affordable homes in the region over the period 1997/1998 to 2003/2004 was 3,416.

## **Recent Developments**

9. Responses to the Assembly's summer 2004 consultation on developing a vision and strategic approach for RSS revealed that affordable housing is (as might be expected) a key issue in North Yorkshire and the northern parts of West Yorkshire, particularly provision for local workers.
10. Since the approval of RPG12 in October 2001 there has been a number of national policy changes. The main ones are the ministerial statement of July 2003 and the 'Barker Report' and these are briefly explained below.
11. In July 2003 the Government, through a statement by Keith Hill the minister for Planning and Housing, announced a clarification of aspects of Government Guidance PPG3 Housing. In conjunction with this statement a consultation was launched entitled 'Influencing the size, type and affordability of housing', which addresses aspects of the planning and delivery of housing in general and particular points concerning affordable housing. The main aim of the changes is to secure more affordable housing as part of a timely delivery of agreed housing numbers and produce a better match between the houses planned and the needs of the community. Since the Minister's announcement the Treasury and the ODPM have jointly issued the final

report of the review of housing supply produced by Kate Barker. This report has had the effect of widening the scope of the review of PPG3. At the time of writing this paper the Government's response to revisions to PPG3 which were consulted on in Autumn 2003 have not yet been published. The Assembly understands the Government is intending to issue a revised version of PPG3 shortly and further revisions which will address the recommendations made in the Barker report later in 2005.

12. The Barker Report was commissioned jointly by the Chancellor and the Deputy Prime Minister in April 2003. It examined the issues of housing supply and responsiveness of house building in the UK. The final report was published in March 2004. The objectives of the review were to produce recommendations to achieve improvements in housing affordability; a more stable housing market; the provision of better housing supply to support economic development; and an adequate supply of publicly-funded housing for those that need it. Amongst the reports recommendations are: -
- A National Target for Affordable housing
  - Regional targets for affordability
  - A transparent process for calculating the housing requirement which takes account of scale of need for affordable housing
  - Scale and affordability of housing should be informed by sub regional and local assessments
  - Using price signals as one indicator to inform decisions on the release of land
13. In the absence of the Government's review of PPG3 the Assembly will need to decide the extent to which RSS addresses this agenda. However, this paper will show that in addressing the scale and distribution of housing we have already responded to the recommendation on a transparent process for calculating the housing requirement. Other recommendations are examined later in this paper.

### **Key Issues for the scale and distribution Housing**

14. This section of the paper falls broadly into two parts, the first addressing matters concerning the scale and distribution of housing, the second part addresses affordability. The paper concludes with a series of questions which arise from the analysis and your views are sought on these questions and any other points arising from the paper you may wish to comment on.

Note: - This paper only explores the principles underpinning the distribution of housing in the region. A further paper (which will explore this in more detail, including a broad indication of the scale of provision in each District) will be issued in early February 2005.

## **The Housing Model**

**15.** A model for calculating the scale and distribution of housing in the region was developed by Nathaniel Lichfield and Partners on behalf of the Assembly earlier this year. The model developed is intended to:

- Provide a rational, robust and transparent basis for testing scale and distribution at Public Examination – i.e. make the process for distributing housing more explicit;
- Be capable of expressing the overall spatial strategy for the region;
- Be capable of establishing appropriate annual rates of housing development for the region as a whole, all districts within the region, and also for areas that cut across district boundaries;
- Reflect the “plan, monitor and manage” philosophy and avoid “predict and provide”;
- Be realistic and capable of being monitored;
- Be appropriate to the particular circumstances of the Yorkshire and Humber region – i.e. it takes on board both low demand and affordable housing issues.

## **The Building Blocks Used to Determine the Scale of Housing Provision Required in the Region**

**16.** This section of the paper sets out the main ingredients in the model and the assumptions underpinning these ingredients. Table 1, below, summarises the steps taken to arrive at net and gross housing provision.

**Table 1**

**DRAFT REGIONAL REQUIREMENT FOR HOUSING**

ODPM Interim 2002-based Household Projections 2001-2021	256,000	
Plus Improvements to the Economy	5,000	
Plus Concealed and Sharing Households and Homelessness	6,000	
Minus completions from April 2001 to April 2004	- 50,114	
Sub-total		216,886
Divided by 17 years (2004-2021)	216,886/17	
<b>Total Net (excluding clearance and replacement and vacancy reduction allowance) Annual Rate for 2004-2021</b>	<b>12,758</b>	
Plus annual clearance and replacement allowance (based on past rates)	3,000	
<b>Total Gross (including clearance and replacement allowance) Annual Rate for 2004 - 2021</b>	<b>15,758</b>	

The Gross requirement of 15,775 per year compares to the average annual build rate over the last 3 years of 16,605.

## Office of National Statistics (ONS) household projections.

- 17.** The starting point for running the model is the Government's interim 2002-based household projections for the region. These suggest that around 256,000 additional households could be formed between 2001 and 2021. These projections form the start point for determining how much additional housing needs to be built in the region. However, other matters, including the effect of improved economic performance and the price of housing, are also becoming important considerations. The ONS projection figure is so far only available at a regional level – local authority breakdowns (based on final 2003-based projections) will not be available until mid-2005. When these are available they will be used to fine tune the model and its application

## Improved Economic Performance

- 18.** The RSS, along with the Regional Economic Strategy and the “Northern Way”, aim to achieve improved economic performance. Improved economic performance could lead to less job-related out-migration and to more households being able to afford housing. It could also lead to an increasing number aspiring to housing than has occurred in the past, and from that which is assumed in the household projections. In existing RSS (based on the selective review of RPG12) 5,000 additional dwellings are assumed to be required for the period 1998 to 2016 to take account of improved economic performance.
- 19.** The Northern Way report (published in September 2004) includes various technical appendices, one of which looks in more detail at building sustainable communities. This appendix suggests that more account should be taken of the potential for economic success to increase the need for housing. However at this point, as the appendix recognises, the relationship between economic performance and the need for housing is not well understood. Therefore, it is not clear how these changes will affect the housing requirement. In these circumstances the RPG12 assumption of 5000 additional homes has been applied to the RSS period of 2001-2021. However, further work will be carried out to try and better understand the relationship between economic performance and housing prior to the drafting of the submission version of RSS. This will include the re-examination of the work done by Nathaniel Litchfield in preparation for building the housing model, which predates the Northern Way report. At the time they did the work Nathaniel Litchfield concluded that the assumptions on household formation and migration underpinning the ONS projections already address improved economic performance.

*Question1: How realistic it is to build better economic performance into future housing provision needs?*

*Question2: Is it reasonable to roll forward the RPG12 assumption of an additional 5000 households arising from greater economic success and apply it to the RSS time period of 2001 to 2021?*

*Question 3: Should RSS be more ambitious in its assumptions about additional households arising from greater economic success?*

### The Role of Price Signals

20. One of the recommendations of the Barker report is to examine how price signals could be used as one indicator to inform decisions on the release of land. Although the work on the housing model was completed before the final report of Barker investigation, the consultants devising the model did consider whether the overall level of net additional provision is 'under-shooting' levels of actual growth in household numbers as this could impact on price, affecting affordability. They reported that there is no evidence on this at the regional level, though they did recognise that there are particular 'hot-spot' locations in the region where this is happening. They went on to say that such problems could be addressed through the distribution of housing within the region rather than the overall total. Their conclusion was at that time that evidence on price signals do not require changes to the overall scale of provision in the region.

*Question 4: Should greater emphasis be placed on the role of price signals?*

### Concealed/Sharing Households, Homelessness etc

21. Additional dwellings may also be needed for concealed and sharing households, would-be couples living apart, homeless families etc as assumed in RSS (based on the selective review of RPG12). For the purposes of this topic paper, the 6,000 dwellings provided for in RSS (based on the selective review of RPG12) to reduce the number of these types of households by 2016 has been rolled forward to 2021. The 2001 Census revealed that there were at that time 15,900 concealed households (this figure is broadly the same as the figure used in the 1996 Household Projections - these projections informed the RSS (based on the selective review of RPG12) requirement). However, not all these households will require a separate home e.g. some may choose to live as an extended family and the census question does not draw a distinction. Therefore, a judgement needs to be made regarding whether the proportion of this total requiring a separate home remains the same as that assumed in RSS (based on the selective review of RPG12). Again further work will be carried out on this issue prior to the drafting of the submission version of RSS. This point will be returned to in the section of the paper which looks at the scale of need for affordable housing.

*Question 5: Is it reasonable to roll forward the RPG12 assumption of an additional 6,000 households arising from reducing the number of concealed households and apply it to the RSS time period of 2001 to 2021?*

### Accounting for houses built since 2001

- 22.** Before arriving at a *net* annual housing requirement, housing completions between April 2001 and April 2004 are subtracted (as these new homes will have housed some of the households included in the household projection figure). This then provides a net annual housing requirement figure (which excludes any allowance for the replacement of cleared homes). The net annual average of 12,775 dwellings derived is a slightly lower net requirement than in current RSS (based on the selective review of RPG12), which is approximately 13,600.

### Gross Housing Requirement

- 23.** In arriving at a gross annual housing requirement, we have suggested two possible options on how clearance and replacement could be taken into account in determining the appropriate scale of housing required in the region:

- The RPG12 Annual Monitoring Report three-year average for clearance gives a regional figure of 2,722.
- The Northern Way technical appendix – Building Sustainable Communities assumes, a figure of 5,000 per annum for 10 years (however, this only removes 11% of the stock at risk of low demand). This figure could reasonably be rolled forward to 2021

In Table 1 on page 8 of this paper the Assembly has chosen to use the average clearance figures for the last 3 years.

*Question 6: Are there any other ways (or sources of information available?) in which allowances for clearance and replacement could be taken into account in determining the gross housing requirement?*

*Question 7: Should the RSS include figures on clearance and replacement or should this be dealt with at the local level through the appropriate Development Plan document?*

### Vacancy Rate

- 24.** RSS (based on the selective review of RPG12) sets a target for reducing the number of vacant dwellings in the region to an average of 3.5% by 2016. The 2003 Annual Monitoring Report for RPG reveals that the regional vacancy rate has increased to 4.3%, so achieving a vacancy rate of 3.5% could mean a reduction of approximately 17,000 dwellings rather than the 5,000 dwellings assumed in RSS (based on the selective review of RPG12).
- 25.** Recent advice from ODPM, however, on calculating the housing requirement does not say that any allowance should be made for

changes in vacancy rates in the calculation. This advice refers to trends in vacancy rates as a contextual indicator of low or high demand in particular areas. Therefore in this topic paper we have not made any allowance for reductions in the vacancy rate

*Question 8: Should there be a regional allowance for reducing the vacancy rate or should RSS include individual local authority vacancy rate targets?*

### The Distribution of Housing

26. Having determined the appropriate scale of housing in the region, the next stage in running the housing model is to use it to distribute this housing to the different local authorities in the region. However, as is outlined in the introduction to this paper, at this stage in the development of RSS we will set out the principles for the distribution of housing and a further consultation early in February 2005 will develop this further.
27. Initially in using the model to distribute the housing requirement between local authorities, the proposed starting point was to use up the region's supply of land available from 'urban potential' – as revealed by studies of that 'urban potential' (such studies are also known as 'urban housing capacity studies' and they primarily investigate how much 'brownfield land' could be developed for housing). However, it has become more clear post-"Barker Review" (and in the light of the "Northern Way" and the outcome of an audit of urban potential in the region) that the distribution of housing development across the region should be driven by strategy, rather than simply led by the existing urban potential. In October 2004 the Regional Planning and Infrastructure Commission agreed to this revised application of the model. The distribution of Urban Potential would then be brought back into the model as part of the reality check (see below) to ensure the strategy is making the most effective use of urban potential.

*Question 9: Do you agree that the distribution of housing should be led by strategy rather than existing urban potential?*

28. Our strategy-driven approach to the distribution of housing will be based on the broad objectives of RSS and the locational choices in the various sub areas of the region along with the other relevant strategies, such as the Northern Way and RES, the Regional Housing Strategy and Pathfinder strategies too. The model incorporates these strategy considerations through the weighting of a series of policy variables. In devising the model Nathaniel Lichfield identified, through discussion with stakeholders, five policy variables which have significant implications for the distribution of housing - economic change, affordability, urban renaissance, transportation and environmental capacity. The weightings given to these policy variables are assigned based on a range of factors which combine evidence and judgement: -

- Evidence of specific needs, for example, the relative affordability of property in different parts of the region and the distribution of regionally significant environmental designations.
- The impact of the three proposed consultation scenarios on the policy variables (see Topic Paper 2 – Spatial Options)
- The policy choices available in each of the sub areas (also set out in the Topic Paper 2)
- The impact of the priorities being set in other strategies, for example, the emerging policies of the Housing Pathfinders which are addressing low demand for housing in South Yorkshire and Hull.

### Reality checks

**29.** In running the model, a series of “reality checks” have been built in to ensure the proposed housing figures are realistic and achievable and take into account all relevant issues. These checks are suggested below:

(i) Urban potential studies:

**30.** The findings of the audit of urban potential studies carried out in the region are used to check whether the outcome of the distribution is making the best use of previously developed land. In addition the audit will be used to help inform the setting of targets for the percentage of new homes on previously developed land in each district

(ii) ONS projections of household change:

**31.** Do the assumptions underpinning these national projections reflect the local circumstances in the different parts of the region. If there are significant differences these need to be explored in the testing of the output of the model.

(iii) Recent rates of completion:

**32.** Does the outcome of the distribution give rise to gross annual housing provision figures which are significantly different to average the annual completion rates from April 2001 to April 2004. This allows consideration to be given to the capacity of the building industry and the market for new housing in the area.

(iv) Addressing affordability:

**33.** Is the overall provision in areas with significant affordability problems adequate to enable the Planning Authority to respond to these problems through its Development Plan Documents (Note other aspects of affordable housing are dealt with later in this topic paper).

(v) Addressing low demand:

- 34.** Is the overall provision in areas experiencing low demand and areas adjacent to these low demand areas at the correct scale to enable, Pathfinders, Sub Regional Housing Partnerships and local planning authorities to devise appropriate policy responses to low demand. Pathfinder areas cross administrative boundaries and require collaborative working both within and adjacent to the Pathfinder areas.

(vi) Testing Clearance Assumptions:

- 35.** In some areas a significant element of the gross housing provision arises from the replacement of cleared dwellings. Particularly in these areas it is important to ensure that the clearance assumptions are robust, because an over-provision of new housing may exacerbate low demand and create the circumstances where there is pressure for more clearance.

*Question 10: Are there any other reality checks we should carry out?*

## **Key Issues for Affordable Housing**

### **Evidence-base**

- 36.** The evidence-base for affordable housing continues to be developed and greater effort is being put into ensuring that the RSS and RHS share a common evidence base.

(i) House price changes

- 37.** The RPG12 Annual Monitoring Report looks at trends in house prices since 1998 (this being the base date for RPG12). This shows a continuing and increasing rate for regional average house price increases, from a 7% increase in 1998 to a 20% increase with average house prices having increased from £59,204 to £125,285 over the same period.

**Table 2***Comparative House Prices – Yorkshire and Humber Districts*

	2004 Average House Price (£)	2000 Average House Price (£)	% Increase
<b>South Yorks</b>			
Barnsley	£100,128	£54,780	83%
Doncaster	£109,300	£53,291	105%
Rotherham	£104,030	£56,964	83%
Sheffield	£125,005	£65,106	92%
<b>West Yorks</b>			
Bradford	£107,318	£62,042	73%
Calderdale	£111,742	£58,466	91%
Kirklees	£117,306	£63,017	86%
Leeds	£140,444	£74,908	87%
Wakefield	114049	62138	83
<b>North Yorks</b>			
Craven	£175,371	£86,505	103%
Hambleton	£204,758	£100,083	105%
Harrogate	£213,611	£116,062	84%
Richmond	£163,097	£89,216	83%
Ryedale	£178,282	£88,396	102%
Scarborough	£137,672	£66,145	108%
Selby	£166,222	£80,513	106%
York	£164,186	£67,501	92%
<b>Humber</b>			
East Riding	£140,309	£69,701	101%
Hull	£66,571	£39,946	67%
NE Lincs	£93,556	£48,932	91%
N Lincs	£110,170	£56,509	95%

38. In the period 2000 to 2003 average gross earnings rose by 15%. Clearly house prices are rising more quickly than earnings, which will have the effect of reducing the relative affordability of housing in the region (although mortgage interest rates have a strong bearing on the affordability of monthly mortgage repayment costs).

(ii) A Regional assessment of affordability

39. The Joseph Rowntree Foundation (JRF) has carried out a national study of affordability which sets out the average costs of home ownership across the country for each individual Local Planning Authority area.

40. The JRF index measures the relationship between house prices (for 2-3 bedroom dwelling, with price information from the council of mortgage lenders) and gross household income for working households in the 20-39 age group. It is households in this age group who are most likely to be seeking their first home. The ratio of mortgage advance to income rarely exceeds 3.5 for households with multiple incomes and 4.0 for single earned income, on this measure the 2003 survey reveals affordability problems in large parts of North Yorkshire.

**Table 3**

<b>DISTRICT</b>	<b>AFFORDABILITY RATIO</b>
Barnsley	3.05
Bradford	2.82
Calderdale	3.18
Craven	4.00
Doncaster	2.94
East Riding	3.66
Hambleton	4.51
Harrogate	4.42
Hull	2.47
Kirklees	3.19
Leeds	3.69
North East Lincolnshire	3.37
North Lincolnshire	3.23
Richmondshire	3.88
Rotherham	3.21
Ryedale	4.91
Scarborough	4.26
Selby	4.02
Sheffield	3.57
Wakefield	3.34
York	4.37
<b>YH Average</b>	<b>3.67</b>

## (iii) Concealed Households

**41.** Another approach to assessing the need for affordable housing is to look at the extent of concealed households in the region. These are households who are sharing with others and may well wish to live as a separate household but cannot afford to. The 2001 Census provides a 'snap-shot' of concealment at that time. This shows 15,900 concealed households. However not all these households will require a separate home (e.g. some may choose to live as an extended family and the census question does not draw a distinction). Therefore, a judgement needs to be made regarding what proportion of this total require a separate home. Also further investigation is needed to see if any additional information is available from which trends can be discerned.

42. All Local Housing Authorities are expected to carry out a Housing Market Assessment which amongst other things will provide an indication of the scale and type of needs for affordable housing. At present there is incomplete coverage in the region so it is not possible to use these as a bottom up approach to understanding the scale of the need for affordable housing.

### **Devising a Target for Affordable Housing**

43. One of the recommendations in the Barker report is for a national target for affordable housing. The Government has said this target will not be published until later in 2005; unfortunately this is well after the submission of draft RSS to the Government. Therefore it will not be possible to apply an agreed national approach in the submission version of RSS (although it may be possible to address this point at the Examination in Public and incorporate any changes into the Secretary of States response to the Panel).
44. In the absence of an agreed national approach there would appear to be two possible approaches to devising a target. Either one based on a calculation of the number of affordable dwellings required annually as was included in current RSS (based on the selective review of RPG12). Or an affordability target drawn from the Joseph Rowntree Foundation data, which can then be translated into a dwelling requirement at the local level in Local Development Frameworks and Local Housing Strategies. At this stage it is not yet clear what is the best or most desirable approach.

*Question 11: Should RSS include a regional target for affordable housing?*

*Question 12: How should that target be expressed – as price/income or dwellings required etc?*

*Question 13: Should RSS set affordable housing targets for individual local authority areas?*

*Question 14: Mechanisms for reviewing targets – flexibility to deal with rising and falling market and the role of price signals in this?*

### **Pathfinders**

45. The Pathfinder initiative is seeking to turn around areas with failing housing markets in Hull and in South Yorkshire. Although the circumstances of the two areas are different, there are some common issues which need to be considered in RSS. The scale of the net provision figures for the Local Planning Authorities within which the Pathfinders fall should respond to the Pathfinders' objective of supporting the local housing market. This could lead to restraining

development in area adjacent to the Pathfinders. Secondly, though housing prices are relatively low in these areas there may well be issues of affordability, particularly for households who need new homes as a consequence of the clearance required as part of the strategy to turn around these areas. As part of the work to support policy development the Housing model will be run to produce housing requirement figures for the Pathfinder Areas

### **Role of housing mix in delivering affordability**

46. The Ministerial statement of July 2003 referred to earlier in this paper puts greater emphasis on the role of housing size, type and affordability in creating mixed communities.
47. The household projections show increased numbers of single person households (rising from 30% to 35% of all households and a corresponding fall in multi person households). In view of this housing providers' should examine ways in which they can ensure their product addresses these needs.

*Question 15: Should RSS be promoting housing mix or is this a matter for Development Plan Documents within Local Development Frameworks?*

### **Links with other Strategies**

#### Links with Regional Housing Strategy

48. There are a number of policy issues which present opportunities for a more joined up approach between RSS and the RHS these include: -
  - Encouraging cross boundary work where it enables action to address a market area in a consistent way e.g. the 'Golden Triangle' area of high house prices (Leeds/Harrogate/York)
  - Promote common approaches to assessing the need for affordable housing and a better understanding of the costs of provision.
  - Using RHS to set and review affordability targets (as it can be reviewed more quickly than RSS and therefore can be more responsive to changes in market circumstances).

#### Links with Local Development Frameworks and Local Housing Strategies

49. Some aspects of affordable housing are best considered at the local level and evidence of local needs is an important part of this local work. As stated above the RSS and RHS can help address matters which cross the administrative boundaries of local planning and local housing authorities. However, Local Development Documents or local Housing Strategies are

best placed to set affordable housing targets for specific markets and it may be, as is evident at the regional level, that the Housing Strategy can be reviewed more quickly and this document should be the source of local affordability targets.

Question 16: *What is the role of RSS in ensuring delivery? This could include:*

- *monitoring levels of provision*
- *promoting cross boundary work*
- *models of good practice*

Question 17: *Are there other issues concerning delivery?*

## **Conclusions**

50. The scale and distribution of housing is a key part of RSS: this sets the framework for local decisions on sites and delivery. Please look out for a further paper (that will be issued in early February) which will explore this in more detail, including providing a broad indication of the scale of housing provision that may be required in each District.

### **Questions for Consultation**

1. *How realistic it is to build better economic performance into future housing provision needs?*
2. *Is it reasonable to roll forward the RPG12 assumption of an additional 5,000 households arising from greater economic success and apply it to the RSS time period of 2001 to 2021?*
3. *Should RSS be more ambitious in its assumptions about additional households arising from greater economic success?*
4. *Should greater emphasis be placed on the role of price signals?*
5. *Is it reasonable to roll forward the RPG12 assumption of an additional 6000 households arising from reducing the number of concealed households and apply it to the RSS time period of 2001 to 2021?*
6. *Are there any other ways (or sources of information available?) in which allowances for clearance and replacement could be taken into account in determining the gross housing requirement?*
7. *Should the RSS include figures on clearance and replacement or should this be dealt with at the local level through the appropriate Development Plan document?*
8. *Should there be a regional allowance for reducing the vacancy rate or should RSS include individual local authority vacancy rate targets?*
9. *Do you agree that the distribution of housing should be led by strategy rather than existing urban potential?*
10. *Are there any other reality checks we should carry out?*
11. *Should RSS include a regional target for affordable housing?*
12. *How should that target be expressed price/income or dwellings required etc?*
13. *Should RSS set affordable housing targets for individual local authority areas?*
14. *Mechanisms for reviewing targets – flexibility to deal with rising and falling market and the role of price signals in this?*
15. *Should RSS be promoting housing mix or is this a matter for Development Plan Documents within Local Development frameworks?*

**16.** *What is the role of RSS in ensuring delivery? This could include*

- *monitoring levels of provision*
- *promoting cross boundary work*
- *models of good practice*

**17.** *Are there any other issues concerning delivery?*

## **References**

RPG Annual Monitoring Reports for 2002 and 2003 – [www.yhassembly.gov.uk](http://www.yhassembly.gov.uk)

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